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Daily Report

Central Eurasia

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Daily Report
Central Eurasia

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CONTENTS

NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

INTERREGIONAL AFFAIRS

Countries Agree on Caspian Regional Cooperation *[ITAR-TASS]* 1
Foreign Ministers Adopt Statement on Tajikistan *[INTERFAX]* 1
CIS Future Depends on Summit Results *[INTERFAX]* 1
ITAR-TASS Carries Press Review for 14 Oct 2

RUSSIA INTERNATIONAL AFFAIRS

Kozyrev Arrives in Iraq To Discuss Gulf Crisis *[ITAR-TASS]* 3
Holds Talks With Saddam Husayn *[ITAR-TASS]* 3
Joint Communique Released *[ITAR-TASS]* 3
TASS Carries Joint Communique 3
Kozyrev To Meet UN Commission Head Ekeus *[ITAR-TASS]* 4
Juppe, Kozyrev Urge 'Immediate' Withdrawal *[ITAR-TASS]* 4
Kozyrev on 'Wise' Iraqi Decision *[ITAR-TASS]* 4
Military Attaches Inspect Southern Iraq *[ITAR-TASS]* 4
Kuwait Welcomes Upcoming Kozyrev Visit *[ITAR-TASS]* 5
Iraq Crisis Seen Moving Toward 'Balance' *[KRASNAYA ZVEZDA 14 Oct]* 5
Italian Prime Minister Arrives in Moscow *[ITAR-TASS]* 6
Yeltsin Signs Treaty With Italy *[ITAR-TASS]* 6
NATO Expansion Not To Strengthen European Security *[INTERFAX]* 6
IMF To Give $4 Billion Credit Despite Crisis *[ITAR-TASS]* 6
Federov Comments From UK on Joining Government *[ITAR-TASS]* 6
Foreign Ministry Demands Release of Israeli Hostage *[ITAR-TASS]* 7
Troop Withdrawal Agreement Reached With Moldova *[ITAR-TASS]* 7
Azeri Leader, Chernomyrdin Discuss Oil Deal *[Radio Rossii]* 7
Chernomyrdin 'Sees No Problems' *[ITAR-TASS]* 8
PRC Nuclear Tests Seen Feeding Foreign Lobby *[KOMSOMOLSKAYA PRAVDA 13 Oct]* 8

RUSSIA NATIONAL AFFAIRS

Political & Economic Issues

Yeltsin Meets Gerashchenko on Currency Situation *[ITAR-TASS]* 9
Gerashchenko Submits Resignation *[ITAR-TASS]* 9
Duma Committee Decision Postponed *[Radio Rossii]* 9
Duma Official Says Removal 'Unlikely' *[INTERFAX]* 9
Abdulatipov Sees No-Confidence Vote 'Probability' *[SEGODNYA 13 Oct]* 9
Yeltsin Edict Sets Up Ruble Crash Commission *[ITAR-TASS]* 10
Text of Yeltsin Edict on Ruble Collapse Commission *[ROSSIYSKAYA GAZETA 14 Oct]* 10
Ruble Probe Commission Seen Out of Place *[SEGODNYA 13 Oct]* 11
Kostikov Comments on Drop in Ruble 12
Says Gerashchenko Should Resign *[Moscow Radio]* 12
Cites 'Financial Coup Attempt' *[INTERFAX]* 12
Opposition Behind 'Financial Putsch' *[Russian TV]* 12
Fedorov To Return to Moscow 14 Oct *[INTERFAX]* 12
Gaydar Calls Yeltsin Dismissal of Dubinin 'Rash' *[INTERFAX]* 13
Dubinin, Finance Ministry Seen Not Guilty *[KOMMERSANT-DAILY 13 Oct]* 13

Internal Ministry Aides on Ruble Crash *[NEZAVISIMAYA GAZETA 13 Oct]* 14
Chernomyrdin Resumes Sochi Vacation *[KOMSOMOLSKAYA PRAVDA 17 Oct]* 14
Banks Behind Ruble Panic Said Linked to Premier *[Moscow Radio]* 15
Ruble Crash: Chernomyrdin 'Set Up' *[KOMSOMOLSKAYA PRAVDA 13 Oct]* 15
'Political Factors' Seen Behind Ruble's Recovery *[IZVESTIYA 14 Oct]* 16
Central Bank's Tulin Blames Speculation *[IZVESTIYA 14 Oct]* 17
Regional Reaction to Ruble's Collapse Reported *[ROSSIYSKAYA GAZETA 13 Oct]* 17
Ruble Predicted To Rebound Further 14 Oct *[INTERFAX]* 18
Ruble Closes at 2,988 at MICEX *[ITAR-TASS]* 18
Dollar Drops at MICEX Sales *[ITAR-TASS]* 18
Mineralnyye Vody Kidnappers Sentenced to Death *[ITAR-TASS]* 19
Zaveryukha Denies Reports of Planned Grain Imports *[ITAR-TASS]* 19
Lowest Harvest Since Mid-Eighties Expected *[INTERFAX]* 19

Military & Space Issues

Tomsk Nuclear Facility Threatened by Blast *[Moscow Radio]* 19
Military Factor in Ruble Crisis 'Myth' *[KRASNAYA ZVEZDA 14 Oct]* 19
Potential Impact of Crisis Viewed *[KRASNAYA ZVEZDA 13 Oct]* 20
Kokoshin Defends Army, industries Budget *[Moscow Radio]* 20
'Selfish' Generals Obstructing Army Reform *[KOMSOMOLSKAYA PRAVDA 13 Oct]* 21
Space Forces Launch New Communication Satellite *[INTERFAX]* 22
Mir Station Power Supply Problems Continue *[Radio Rossii]* 23
Workarounds Devised for Mir Station *[IZVESTIYA 14 Oct]* 23
New Rocket Developed for Satellite Launches *[INTERFAX]* 23

Federal Assembly

Yeltsin Satisfied After Federation Council Meeting *[ITAR-TASS]* 24
Duma Sets Confidence Vote for 21 Oct *[SEGODNYA 13 Oct]* 24
Opposition Seen Short of Votes *[KOMMERSANT-DAILY 14 Oct]* 24
Rybkin Briefs Duma on Gerashchenko Resignation *[ITAR-TASS]* 25
Gerashchenko Address to State Duma Reported *[SOVETSKAYA ROSSIYA 13 Oct]* 25
Communist Motion Condemning Yeltsin Fails in Duma *[ITAR-TASS]* 27
Duma Rejects Mandatory Medical Examinations *[IZVESTIYA 13 Oct]* 27
Duma Snubs Federation Council on Media *[SEGODNYA 13 Oct]* 27
Duma Ratifies Law on UN Climate Convention *[ITAR-TASS]* 27
Interview With State Duma Speaker Rybkin *[INTERFAX]* 28

Regional Affairs

Dudayev Skeptical About Likelihood of Moscow Talks *[ITAR-TASS]* 30
Khasbulatov Says Dudayev Asks for Islamic Help *[Moscow TV]* 30
Khasbulatov Urges Chechens To 'Choose Sides' *[INTERFAX]* 30
Armed Clash in Chechnya Kills 5 *[ITAR-TASS]* 31
Moscow Authorities Boost Guard for Strategic Facilities *[Moscow TV]* 31
Deputy Blames VAZ Dispute on Government, Management *[PRAVDA 14 Oct]* 31
Far North's Socioeconomic Situation Described *[PRAVDA 13 Oct]* 32

UKRAINE

International Affairs

Kuchma Telephones Clinton, Seeks Financial Aid *[Kiev TV]* 34
Moroz Reads Statement to CIS; Rejected by Deputies *[Kiev International]* 34
Finland's Foreign Minister Begins Official Visit *[UNIAR]* 34
Urges Ukraine's NPT Accession *[UNIAN]* 35
Moroz Links Joining NPT to Financial Aid *[INTERFAX]* 35
Moroz, Haavisto Discuss Bilateral Issues *[ITAR-TASS]* 35
Protocol With Germany To Liquidate Strategic Missile Silos *[UNIAN]* 35

National Affairs

Crimean MP's Approve Candidates, Ministers *[UNIAN]* 36
Meshkov Favors Confidence Vote on Crimean Parliament *[UNIAR]* 36
Government To Tackle Economic Crisis Using IMF Model *[UNIAN]* 36
Cabinet Orders Foreign Trade Debt Repayment *[UNIAN]* 37
Interior Minister Reviews Battle With Crime *[URYADOVYY KURYER 6 Oct]* 37

WESTERN REGION

Belarus

Lukashenka Economic Anticrisis Proposals Reported *[INTERFAX]* 41
Lukashenka 'Insists' on Housing Maintenance Costs Law *[INTERFAX]* 41
Legislator Warns Against Army Budget Cuts *[VO SLAVU RODINY 7 Oct]* 41

Moldova

Talks on Status of Dniester Region Postponed *[ITAR-TASS]* 43
PS Leader: Situation 'Out of Government's Control' *[BASAPRESS]* 43
Snegur Rebuts Romanian Statements on Unification *[ITAR-TASS]* 43
Snegur Opposes Compromise on Transdniestra Statehood *[INTERFAX]* 44
Consumer Prices in Dniester Increase 'Fourfold' *[BASAPRESS]* 44
Exporters Lose Around 40% Due to Russian Ruble Fall *[INTERFAX]* 44

CENTRAL ASIA

Kazakhstan

Government Begins Eliminating Strategic Nuclear Forces *[INTERFAX]* 45
Direct Intergovernment Communication Line Set Up With U.S. *[ITAR-TASS]* 45
New Prime Minister To Leave Reform Strategy Unchanged *[INTERFAX]* 45
Says Reforms To Be Accelerated *[INTERFAX]* 45
Plans Made to Protect Market From Ruble Fluctuations *[INTERFAX]* 46
Uzbeks Restrict Gas Supplies as Kazakh Debt Grows *[PANORAMA 8 Oct]* 46
Shipment of Gas Main Stumbling Block in Development *[INTERFAX]* 46

Tajikstan

Supreme Council Chairman Visits Kulab *[Dushanbe Radio]* 46
Border Guards Kill 10 Guerrillas in Clash *[Dushanbe Radio]* 47
Ruble Crisis Closes Tajik Currency Exchanges *[Dushanbe Radio]* 47

Turkmenistan

Southwest Region Developing Oil, Gas Fields *[TURKMENSKAYA ISKRA 1 Oct]* 47
Gas Pipeline Construction Talks Held With Iran *[ITAR-TASS]* 48

Uzbekistan

Law on Supreme Assembly Issued *[NARODNOYE SLOVO 5 Oct]* 48

CAUCASUS

Armenia

Ministry Says Border Situation Relatively Peaceful *[Yerevan Radio]* 54
Russian Premier Shakhray Cancels Visit *[ARAGIL ELECTRONIC NEWS BULLETIN 13 Oct]* .. 54
All Trade in Rubles Halted on Yerevan Currency Market
[ARAGIL ELECTRONIC NEWS BULLETIN 13 Oct] 54
IMF Grants Yerevan $500 Million Loan *[INTERFAX]* 54

Black Sea Cooperation Council Body Meets in Yerevan *[Yerevan International]* 54
Concludes Meeting *[Yerevan International]* 54

Azerbaijan

Escaped Prisoner Explains Case, Offers To Surrender *[TURAN]* 55
To Surrender if Security Guaranteed *[INTERFAX]* 55
President Aliyev Appoints New Officials *[Baku TV]* 56
Aliyev Discusses Dispute With Kozyrev, Chernomyrdin *[Baku TV]* 56
Russian Envoy Views Cancellation of Visit by Russians *[TURAN]* 56

Georgia

Sabotage Suspected in Tbilisi TV Tower Fire *[Moscow TV]* 57
Draft Military Doctrine Published in Tbilisi *[Moscow Radio]* 57
Edict on National Guard Part of Georgian Army *[SAKINFORM]* 57
Official Says Support for NSF 'Insignificant' *[INTERFAX]* 57

BALTIC STATES

Estonia

Parliament Rejects Kallas as Premier *[Tallinn Radio]* 58
Laar Says Government Continuing Work *[Tallinn Radio]* 58

Countries Agree on Caspian Regional Cooperation

LD1310172594 Moscow ITAR-TASS in English 1557 GMT 13 Oct 94

[By ITAR-TASS correspondents Yuriy Kozlov and Andrey Serov]

[FBIS Transcribed Text] Moscow October 13 TASS—The need for a coordinated approach to "various aspects of activities in the Caspian Sea" was recognised by a conference of the Caspian region's states which finished in Moscow today. High-placed dipolmats from Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan have drafted an agreement on cooperation in the Caspian region.

An offical from the Russian Foreign Ministry told ITAR-TASS that the agreement projects the setting up of a five-nation organisation for regional cooperation. The organisation is to become the highest venue for the dialogue of the five Caspian states.

The conference participants also agreed that discussions on the legal status of the Caspian Sea be started soon.

The contract for the development of Caspian shelf oil deposits, which Azerbaijan's national oil company recently signed with a Western oil consortium, shifted a focus to the issue of Caspian resource utilisation. The deal has not been recognised by Russia which sees it as a breach of the legal framework for using the Caspian resources which was set by Soviet-Iranian agreements of 1921 and 1940 and which remains effective.

The draft agreement generated by the Moscow conference is to bring the preexisting legal framework in line with the current reality and to lay foundations for mutually benefitial cooperation of the Caspian region's five states.

Foreign Ministers Adopt Statement on Tajikistan

LD1310182694 Moscow INTERFAX in English 1612 GMT 13 Oct 94

[FBIS Transcribed Text] Foreign Ministers of CIS states who participate in the peacekeeping mission in Tajikistan called on the world community and, primarily, on the countries bordering with Tajikistan to do their utmost in order "to extinguish this dangerous hearth of international tension in this region."

A joint statement of the foreign ministers of Kazakhstan, Kyrgyzstan, Russia, and Uzbekistan distributed on Thursday in Moscow expresses concern over the growing tension between Tajikistan and Afghanistan and particularly draws attention to the presence of mercenaries from third countries working on the side of the armed Tajik opposition. Authors of this document believe that this threatens to aggravate the conflict with the risk of it spreading.

The Foreign ministers also pointed to a positive significance of the temporary cease-fire agreement calling for the cessation of hostilities on the Tajik-Afghan border and inside Tajikistan, signed in Teheran. They believe it is able to open the way to a new constructive stage in the Tajik settlement. Now it is necessary to ensure that this agreement goes into effect as soon as possible and that the parties strictly observe its provisions, the foreign ministers stressed.

The ministers declared about joint peacekeepers' readiness to facilitate a cease-fire and to interact with the UN observers for this purpose.

CIS Future Depends on Summit Results

LD1310205194 Moscow INTERFAX in English 1912 GMT 13 Oct 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] The future of the Commonwealth of Independent States will depend on the results of the upcoming meeting of presidents scheduled for October 21 in Moscow, CIS executive secretary Ivan Korotchenya declared to Interfax.

He reported that the preliminary agenda of the presidents' meeting had been worked out in the Minsk headquarters. According to Korotchenya, if the documents proposed for consideration go into effect they will facilitate strengthening of integration processes within the Commonwealth, primarily in the economic sphere.

Korotchenya marked the agreement on creation of Interstate economic committee among 10 issues to be discussed by the presidents. The committee, if the presidents adopt it, will be authorized with several supranational powers. He also mentioned the agreement on the creation of a payment union. Both documents can become "the major structure in the foundation of the building of the Economic Union of the Commonwealth," Korotchenya noted.

On October 9 majority of prime ministers, Korotchenya reminded, were in favor of establishing the Inter-State Economic Committee as a body which has definite power functions, which is authorized to monitor adopted decisions and to manage activity of transnational systems and to prepare proposals for implementation of a coordinated financial and social policy. "At that time they also said about the place of its location, Moscow. However, presidents of Ukraine and Belarus voiced another proposal in Kiev - to locate the Inter-state Economic committee in Minsk. Of course, it's up to the presidents to decide where to locate it," Korotchenya said. Today Russia's role in the economic life of the majority of CIS counties is great and this should be taken into consideration while choosing the address of the executive body of the economic union.

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Speaking about the prospects of a payment union, Korotchenya underlined that this is one of several real chances which would assist in regulation of mutual payments within the Commonwealth, which would help to get rid of the chronic disease of mass non- payments, to establish an unimpeded transfer of wages, pensions, and benefits from one country to another "and this is especially important on the eve of the 50th anniversary of the Great Victory."

ITAR-TASS Carries Press Review for 14 Oct

LD1410065394 Moscow ITAR-TASS in English 0548 GMT 14 Oct 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow October 14 TASS— The situation on the currency market of the country is one of principal domestic topics in Friday's press.

IZVESTIYA runs an article by its economic news analyst Ivan Zhagel who considers it an indisputable fact that it was precisely political reasons, not some economic changes, that brought about a rouble rebound.

To stabilise the situation was a matter of life or death for many representatives of the authorities. This became clear even to currency exchange players who hurried to change their tactics, Zhagel pointed out.

IZVESTIYA writes that the appointment of Andrey Vavilov, 33, as acting finance minister of Russia is interpreted by some analysts as the president's unwillingness "to leave Vavilov in charge of the Finance Ministry in the long term".

It is so far rather difficult to conclude who will find himself at the head of the Finance Ministry in the end, the newspaper pointed out.

ROSSIISKIYE VESTI, in a front-page article on the problems of unemployment, emphasises that the number of jobless in Russia continuously grows.

Referring to Labour Minister Gennadiy Melikyan, the newspaper writes that there are now 9.2 million so-called potentially unemployed in Russia—those who have no jobs or are employed part- time, which accounts for 12 per cent of the country's population.

The Russian Employment Foundation can cater for up to three million jobless or five million at best. No funds for a larger number of unemployed are expected so far.

KRASNAYA ZVEZDA (RED STAR) runs a press release by the Russian Defence Ministry's department for information and the press, which denies assertions that appeared in news media in recent days that enormous financial infusions into the defence sector were one of major causes of the financial crisis in Russia.

"What kind of financial infusions into the defence sector can be spoken if the Defence Ministry's debt has totaled 6,900,000 million roubles, with about 2,500,000 million roubles being the ministry's debt to defence plants for the products made and received by the Defence Ministry and for the work down under the endorsed and adjusted defence order", the ministry's press release said.

IZVESTIYA carries in articke by Sergey Yushenkov, chairman of the State Duma Committee on Defence, who stated: "It has become urgent to reorganise the Defence Ministry from a military establishment into a political one. The Defence Ministry should be headed by civilians".

NEZAVISIMAYA GAZETA runs in open letter by Ramazan Abdulatipov, deputy speaker of the Federation Council, to Max Van Der Stoel, the Conference on Security and Cooperation in Europe (CSCE) high commissioner for ethnic minority affairs.

Abdulatipov writes that he was "discouraged" by reports that Max Van Der Stoel does not see obstacles to the admission of Latvia to the Council of Europe because the Latvain Parliament-adopted citizenship law meets, in the opinion of the CSCE high commissioner, the recommendations of the CSCE, the Council of Europe and other international organisations.

Abdulatipov urged the CSCE high commissioner to use all his resources and influence to ensure the normalisation of the ethno- political situation in Latvia.

Newspapers run reports on Thursday's releasze of MMM investment fund chief Sergey Mavrodi from Moscow's Matrosskaya Tishina prison.

ROSSIYSKAYA GAZETA writes that Mavrodi, while in detention, sent a sizeable cheque to the administration of Kolomna district of Moscow region. The administration immediately assigned part of the money for the maintenance of regional investigating wards.

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Kozyrev Arrives in Iraq To Discuss Gulf Crisis

LD1310154994 Moscow ITAR-TASS in English 1453 GMT 13 Oct 94

[FBIS Transcribed Text] Cairo October 13 TASS—Russian Foreign Minister Andrey Kozyrev arrived in Iraq on Thursday. It has become known here that he will hold talks on the crisis in the Gulf caused by the deployment of Iraqi troops close to the Kuwaiti border.

The Russian Embassy in Baghdad limited itself to statement on the arrival of Kozyrev in Iraq, reporting no detail concerning the minister's plans on the visit to the Iraqi capital.

Baghdad is the first capital in Kozyrev's Mid-east tour. Following Iraq, he will visit Kuwait, Saudi Arabia and the United Arab Emirates. Later, the minister will go to New York where the situation in the Gulf will be discussed at the United Nations.

Holds Talks With Saddam Husayn

LD1310191194 Moscow ITAR-TASS World Service in Russian 1759 GMT 13 Oct 94

[By ITAR-TASS special correspondent Dmitriy Gorokhov]

[FBIS Translated Text] Baghdad, 13 Oct—Russia's Foreign Minister Andrey Kozyrev, who arrived in the Iraqi capital today, held talks this evening with Iraq's President Saddam Husayn and other leaders of the country. The talks were on a settlement of the situation on the Iraqi-Kuwaiti border and ensuring stability in the Persian Gulf area.

Prior to the start of his visit, the Russian minister said that he would seek to convince Iraq that it should return to the path not of military but of political solutions. The withdrawal of Iraqi troops to the places where they are stationed, the recognition of Kuwait's sovereignty and borders, and the resolution of the problem of prisoners of war could become specific steps on this path. If during the talks it turns out that Iraq is prepared to act in line with the expectations of the world community, then, in A. Kozyrev's view, this could form the basis for the process of a gradual lifting of sanctions with regard to Iraq.

Joint Communique Released

LD1310211494 Moscow ITAR-TASS World Service in Russian 2047 GMT 13 Oct 94

[By ITAR-TASS special correspondent]

[FBIS Translated Text] Baghdad, 13 Oct—A meeting has taken place here between Andrey Kozyrev and Saddam Husayn. A joint communication has been released on its results that says, among other things, that Iraqi President Saddam Husayn today received Russian Foreign Minister Andrey Kozyrev who had arrived in Iraq on the instructions of Russian President Boris Yeltsin.

Russia called for decisive steps to be taken with the aim of preventing an escalation in tension, and a return to the channel of political and diplomatic efforts aimed at eventually achieving security and reliable stability in the region, abolishing sanctions against Iraq, and establishing good-neighborly relations between it and Kuwait.

Iraq declared officially that at 2100 on 12 October it completed the withdrawal of its troops to rear positions. Russia highly valued this step by the Iraqi party.

Iraq gave an assurance of its willingness to take a positive decision on recognizing the sovereignty and borders of Kuwait defined in correspondence with resolutions of the UN Security Council.

TASS Carries Joint Communique

LD1310213594 Moscow ITAR-TASS World Service in Russian 2104 GMT 13 Oct 94

[By ITAR-TASS special correspondent; quotation marks as received]

[FBIS Translated Text] Baghdad, 13 Oct—A joint communique has been distributed here for the press on the results of the talks between Andrey Kozyrev and Saddam Husayn:

"On 13 October, Iraqi President Saddam Husayn received Russian Foreign Minister Andrey Kozyrev who had arrived in Iraq on the instructions of Russian President Boris Yeltsin.

During the talks, both the situation in the Persian Gulf area and the current state of Russo-Iraqi relations were analysed.

Russia urged the adoption of resolute measures to prevent an escalation of tension and bringing the situation back to political and diplomatic efforts intended in the final analysis to achieve security and reliable stability in the region, the lifting of the sanctions against Iraq, and the establishment of goodneighborly relations between itself and Kuwait.

There was a discussion of certain specific confidence-building measures between the states of the region, which would make it possible to remove mutual suspicion and establish an atmosphere of trust between them.

Iraq officially stated that at 2100 hours on 12 October it completed the withdrawal of its forces to positions in the rear. Russia highly commended this step by the Iraqi side.

Iraq gave an assurance that it is ready to positively resolve the issue of acknowledging Kuwait's sovereignty and borders, as defined under UN Security Council resolution 833.

Following official recognition by Iraq of Kuwait's sovereignty and borders, Russia will support the official commencement of long-term monitoring in accordance

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with UN Security Council resolution 715 and the simultaneous start of a restricted 'checking' period, which in Russia's view should not exceed six months, in order to check the effectiveness of the monitoring, after which the UN Security Council will adopt a decision to implement point number 22 of resolution 687, fully and without additional conditions. Russia confirms that it will support the lifting of other sanctions as Iraq implements the corresponding UN Security Council resolutions.

Iraq has confirmed its readiness to continue interaction with the International Red Cross in order to clarify the fate of missing Kuwaiti subjects. Andrey Kozyrev indicated Russia's special attention to this humanitarian issue."

Kozyrev To Meet UN Commission Head Ekeus

LD1310220494 Moscow ITAR-TASS in English 2144 GMT 13 Oct 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Text] United Nations October 14 TASS—Chairman of the U.N. commission for the Elimination of Iraq's Weapons of Mass Destruction and Missiles, Rolf Ekeus, told ITAR-TASS on Thursday that he intends to meet Russian Foreign Minister Andrey Kozyrev in New York at the beginning of next week.

Russian sources said that Kozyrev intends to visit the U.N., headquarters upon completion of his visit to Persian Gulf countries, including Iraq, Kuwait, Saudi Arabia and Abu Dhabi.

Russia has notified permanent member of the U.N. Security Council that the purpose of Kozyrev's visit to the area of Persian Gulf is to ensure the withdrawal of Iraqi troops from the Kuwaiti border and prevent a similar dangerous build-up of troops in future.

Juppe, Kozyrev Urge 'Immediate' Withdrawal

LD1310165694 Moscow ITAR-TASS World Service in Russian 1556 GMT 13 Oct 94

[By ITAR-TASS correspondent Igor Shchegolev]

[FBIS Translated Text] Paris, 13 Oct—Paris and Moscow favor the "immediate withdrawal" of the Iraqi troops from the border with Kuwait. This was stated here by official French Foreign Ministry spokesman Richard Duque. He said that during a telephone conversation today, Alain Juppe and Andrey Kozyrev, heads of the French and Russian foreign policy departments, agreed that the Iraqi troops must withdraw immediately from positions alongside the Kuwaiti border and that the UN Security Council resolutions relating to Iraq must be fulfilled.

During the conversation, Russia's foreign minister briefed his French counterpart on his forthcoming trip to Iraq, Kuwait, and Saudi Arabia, R. Duque said.

The diplomat stressed that the Security Council is continuing to discuss the situation in Iraq. He also pointed out that Paris and Washington are constantly coordinating their actions over the crisis in the Persian Gulf which has been brought about by the presence of Iraqi troops near the border with Kuwait.

Kozyrev on 'Wise' Iraqi Decision

LD1410114794 Moscow ITAR-TASS in English 1113 GMT 14 Oct 94

[By ITAR-TASS special correspondent Dmitriy Gorokhov]

[FBIS Transcribed Text] Baghdad October 14 TASS—Iraq has taken a wise political decision which opens the way for a normalisation of the situation in the region, and the building of goodneighbourly relations with all countries, Russian Foreign Minister Andrey Kozyrev told journalists here on Friday.

In the opinion of the Russian foreign minister, the joint statement, circulated here on Friday, on the results of his talks with President Saddam Husayn, indicates in all obviousness that Iraq recognises Kuwait's borders.

"It seems to me, that Iraqi leaders have no plans to repeat manoeuvres similar to those which brought about tension at the border. Besides, we discussed the possibility of introducing confidence-building measures in the region, as is done in Europe, and setting safe limits to military exercises," Kozyrev said.

The Russian minister does not consider that the United States can reject the Russo-Iraqi accords in a confrontational spirit. Such reaction, in his view, is ruled out in the light of the recent telephone conversation between Presidents Boris Yeltsin and Bill Clinton and the level of the Russian-U.S dialogue as a whole. The U.N. Security council should appreciate Iraq's preparedness to comply with the world community's demands.

Kozyrev emphasised that the process of lifting sanctions against Iraq would evolve as all those demands are complied with. The minister believes that Russian diplomacy has attained the goal it set for itself: the development of the situation in the region is returning to the political channel.

Kozyrev is to inform other Gulf countries of the results of his talks in Baghdad. Later Friday, the minister leaves by air for Kuwait with which, he stressed, Russia maintains friendly relations.

Military Attaches Inspect Southern Iraq

LD1310161694 Moscow ITAR-TASS World Service in Russian 1431 GMT 13 Oct 94

[By ITAR-TASS correspondent Aleksandr Yelistratov]

[FBIS Translated Text] Cairo, 13 Oct—The military attaches of the embassies of the Russian Federation and

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China in Iraq yesterday evening carried out a tour of inspection to the south of the country, to the Basrah region, Iraq's second largest city. The purpose of their visit was to seek confirmation "in the field" that Iraq is in fact carrying out the withdrawal of its troops from that region. The tour of inspection of the Russian and Chinese military attaches, ITAR-TASS was told by well-informed diplomatic sources in Cairo, was carried out at the request of the Iraqi Foreign Ministry.

On their return to Baghdad, the Russian and Chinese military representatives said that "in the province of Basrah there has been absolutely no evidence of a build-up of troops as was the case a few days ago." Subunits of the Iraqi Army, according to the attaches, are being evacuated to the north of the province in special trains and trucks. Besides this, at the border with Maisan Province, tank columns were observed moving in a northerly direction, which, according to the Russian and Chinese representatives, may from the military viewpoint be evidence merely of a withdrawal of tank units from southern Iraq.

According to the statement of the Russian and Chinese embassy attaches in Iraq, in present conditions Baghdad's actions must be seen as steps toward unblocking the crisis that arose on the border with Kuwait.

Kuwait Welcomes Upcoming Kozyrev Visit

LD1310214094 Moscow ITAR-TASS in English 2130 GMT 13 Oct 94

[By ITAR-TASS correspondent Viktor Lebedev]

[FBIS Transcribed Text] El Kuwait [name as received] October 13 TASS—Kuwait welcomes the forthcoming visit to Kuwait by Russian Foreign Minister Andrey Kozyrev and believes that Moscow might promote peaceful political settlement of a dangerous crisis in the north of Arabia, said Kuwaiti Minister for Information, Shaykh Sa'ud Nasir al-Sa'ud al-Sabah, in an interview with ITAR-TASS.

He said that Kuwait seeks to ensure security and stability in the region by peaceful means. The minister accused Iraq of attempts to disrupt political solutions outlined in the resolution of the U.N. Security Council concerning the settlement of the Kuwaiti crisis.

Baghdad, declining to act in compliance with the will of the international community, again threatens to use arms, sending its troops to the Kuwaiti border, the minister said.

The Kuwaiti minister met Kozyrev in Moscow last month to discuss problems of bilateral relations. The Kuwaiti minister said that Russia had assumed an open and principle position on strengthening security in the area of Persian Gulf on the basis of Iraq's fulfillment of all resolutions passed by the U.N. Security Council, the Kuwaiti minister said.

Iraq Crisis Seen Moving Toward 'Balance'

MM1410092594 Moscow KRASNAYA ZVEZDA in Russian 14 Oct 94 p 3

[Article by Vadim Markushin: "Iraq-Kuwait: Evening the Balance"]

[FBIS Translated Text] In the Iraq-Kuwait crisis preconditions for overcoming the imbalance that dramatically increased over the last few days are emerging. These preconditions emanate from the fairly stable system of relations established between the leading world powers, which in this conflict are nonetheless behaving in accordance with their own national interests. It will therefore obviously take tremendous political and diplomatic efforts to realize the objective opportunity for a settlement.

Quite understandably, the ring of solidarity around Kuwait is more unequivocal and tighter—it was subjected to aggression and is once again under threat. The Gulf Arab countries, the United States, and Britain have set up a special fund to finance the operations to resist Iraq's threats. Announcing the inauguration of the fund, U.S. Secretary of State Christopher also said that during a meeting of the above countries' foreign ministers agreement was reached on easing military flight procedures in the airspace of the Gulf Arab countries and they considered measures to increase the joint troop contingent provided by six Arab countries (Kuwait, Saudi Arabia, the United Arab Emirates, Bahrain, Qatar, and Oman), which has been dubbed "Peninsula Shield."

Washington, succumbing to the inertia of its initial determination to "punish the aggressor," is still building up military might for a possible attack. Clinton's advisers believe that the Bush administration did not fully neutralize the danger posed by Saddam Husayn in the past. And that the present White House incumbent has a chance of rectifying that mistake. There is every indication that the Americans' intentions are serious. They have once again begun assimilating the theater of military operations in direct proximity to Iraqi territory. Northwestern Kuwait has been declared a combat zone and joint U.S.-Kuwaiti exercises involving live fire have started there. It is reported that marines from the amphibious assault ship Tripoli will take part on the U.S. side. Particular attention is being devoted to rehearsing methods of combating armored vehicles.

Unlike Kuwait's friends, Iraqi "sympathizers" are forced to operate with some reserve. Thus, Paris, "continuing to show solidarity with Kuwait," consistently stresses its concern over Baghdad's fulfillment of the UN resolutions. Defense Minister Leotard has said that France will get Iraq to recognize the established border with Kuwait. At the same time he said that "there is nothing illegal in Iraqi troop movements on Iraqi territory." Nor did the minister miss the opportunity to stress that Paris has "taken cognizance" of the progress in the sphere of Iraqi disarmament noted in the UN experts' report.

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Moscow is also striving to play a conciliatory role in the conflict. That is clear from both President Yeltsin's statement and from the nature of Russian Foreign Minister A. Kozyrev's visit to Baghdad. Although Russian politicians are well aware that the Iraqi leader's latest "stunt" has complicated the task of getting the sanctions lifted and has, accordingly, made the prospect of Baghdad's paying off its Russian debts more remote.

Nevertheless Baghdad is still counting on the support of countries like France, Russia, and China in his fight to get the sanctions lifted. It is emphasizing that it has pulled its troops back from Kuwait "at the request of friendly countries." And that, on the other hand, security and stability in the Gulf region is impossible without an end to Iraq's economic isolation.

Italian Prime Minister Arrives in Moscow

LD1310155094 Moscow ITAR-TASS in English 1451 GMT 13 Oct 94

[FBIS Transcribed Text] Moscow October 13 TASS—Italian Premier Silvio Berlusconi and his wife arrived in Moscow on Thursday on an official visit at the invitation of President Boris Yeltsin. At the Vnukovo Airport, the Italian Cabinet head was welcomed by First Vice-Premier Oleg Soskovets with his wife and other officials.

Yeltsin Signs Treaty With Italy

LD1410113494 Moscow ITAR-TASS in English 1115 GMT 14 Oct 94

[By ITAR-TASS correspondents Alexey Bukalov and Anna Melnikova]

[FBIS Transcribed Text] Moscow October 14 TASS—"Russia has most dynamic trade with Italian enterprises". Russian President Boris Yeltsin said this in the Kremlin on Friday upon the conclusion of the ceremony of signing the treaty of friendship and cooperation with Italy.

The Russian president said that "Italian business people proved that they can deliver good technologies and quality products, and this creates a good basis for further cooperation".

Yeltsin said that the problem of investment is decided during the negotiations. "An insurance company has been formed to protect investors against political risks but no one can be insured against economic risks," Yeltsin said.

Italian Prime Minister Silvio Berlusconi expressed satisfaction with the results of the visit. Answering a question from ITAR-TASS, the prime minister stressed Russia's fundamental role as a factor of stability and peace in the world. The head of the Italian cabinet noted particularly a cordial and friendly nature of conversations and talks with Russian President Boris Yeltsin.

NATO Expansion Not To Strengthen European Security

LD1310202594 Moscow INTERFAX in English 1905 GMT 13 Oct 94

[FBIS Transcribed Text] A spokesman for the Russian Foreign Ministry, Mikhail Demurin, told a briefing in Moscow Thursday that the trend to reanimate bloc structures shown recently by western countries was capable of splitting Europe again.

Demurin said the Russian Foreign Ministry was watching the intensified discussion on the need to expand NATO towards the East. He pointed out there were forces in the U.S. Congress interested in "bringing a number of Central and East European countries closer to NATO."

Demurin questioned "whether such actions conformed to the idea of collective security." Russia supports closer cooperation with NATO, but "non-expansion of this bloc is more beneficial to the interests of European security," he added.

IMF To Give $4 Billion Credit Despite Crisis

LD1310161894 Moscow ITAR-TASS in English 1541 GMT 13 Oct 94

[By ITAR-TASS correspondent Vladimir Kikilo]

[FBIS Transcribed Text] Washington October 13 TASS—Despite a financial crisis in Russia caused by the rouble's crumbling agains the U.S. dollar, the international monetary fund [IMF] has not gone back on its plans to send a delegation to Moscow to negotiate conditions of the 4 billion credit to Russia. This was confirmed here on Wednesday by an IMF official, who wished to remain unidentified, during his talks with journalists on Wednesday.

Intially an announcement regarding the arrival of the forthcoming IMF delegation was made during the annual session of this international financial organization. The mission is expected to be led by IMF Deputy Director Ernesto Hernandez-Cata, who is responsible for maintaining ties with the former Soviet republics.

The IMF representative said that the organization is studying the rouble situation and continues to maintain contact with the Russian authorities. Speaking of the fate of Sergey Dubinin and Viktor Gerashchenko, the two Russian finance experts the IMF had mainly dealt with, the fund representative noted that it is for the Russian authorities to find people to replace them to conduct talks with the fund delegation. Although the loan, under question, will be made available in 1995, usually this process drags on for one to three years.

Federov Comments From UK on Joining Government

LD1310143594 Moscow ITAR-TASS in English 1418 GMT 13 Oct 94

[By ITAR-TASS correspondent Vitaliy Makarchev]

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[FBIS Transcribed Text] London October 13 TASS—Deputy of the State Duma Boris Fedorov is not going to break off his visit to London, but he is ready to enter the government on certain terms. Such is a view taken here of a statement of the former finance minister that he is a pragmatist and will work together with anybody who goes along with the main provisions of his programme and who will have political future. The statement became known to ITAR-TASS from reliable sources.

It was rumoured among London's business circles from Wednesday that President Boris Yeltsin may urgently recall Fedorov to Moscow. Fedorov's entourage neither denied nor confirmed this information.

Fedorov is staying in London at the invitation of the Wiggins Group, a joint-stock company working on problems of property. He delivered the lecture "Russia today" to bankers and business people on Wednesday. He spoke critically of present reform in Russia. "To this day the reform in Russia is outward rather than real," Fedorov said. "I want genuine reform in Russia."

He did not change the schedule of his stay in London on Thursday and holds the earlier planned meetings. In accordance with the programme of his private visit to London, Fedorov is to fly to Moscow on Friday.

Foreign Ministry Demands Release of Israeli Hostage

LD1310141594 Moscow ITAR-TASS World Service in Russian 1330 GMT 13 Oct 94

[By ITAR-TASS diplomatic correspondent Vladimir Suprun]

[FBIS Translated Text] Moscow, 13 Oct—The Russian Foreign Ministry is concerned over the new sorties by extremist forces in the Middle East. This was reported today at a briefing by an official representative of the Russian Foreign Ministry, Mikhail Demurin, in connection with the attack carried out by the Hamas [Islamic Resistance Movement] guerrillas on peaceful citizens in Jerusalem and with their seizing of an Israeli soldier as a hostage, something that led to the talks between the PLO and Israel being suspended.

We decisively condemn the extremists' attempts to darken the atmosphere around the Palestinian-Israeli settlement and to stall the process of establishing peaceful relations between the two peoples, the diplomat said. The Israeli soldier must be immediately released, he stressed.

Demurin said he hoped that the leaders of the PLO and Israel will be sensible and farsighted in their further actions with the view to settling the incident as soon as possible, and to resume the talks.

Troop Withdrawal Agreement Reached With Moldova

LD1310183994 Moscow ITAR-TASS in English 1732 GMT 13 Oct 94

[By ITAR-TASS correspondent Sergey Ostanin]

[FBIS Transcribed Text] Moscow October 13 TASS—The text of the inter-government agreement on the legal status, the order and the terms of the withdrawal of the Russian troops temporarily stationed on the territory of Moldavia [Moldova], has been finally agreed on.

At the Russo-Moldavian talks held in Kishinev [Chisinau] on October 10-12 mutual understanding was reached on all issues under discussion, Colonel-General Eduard Vorobiyov, first deputy commander-in-chief of the Russian Land Forces, who participated in the talks, told ITAR-TASS today.

According to the colonel-general, at the meeting in Kishinev the working groups postponed the discussion of two documents connected with the settlement of property issues. The sides came to a common viewpoint that these documents need additional elaborating aimed at achieving an agreement between the Moldavian side and the leadership of the Dniester region.

Leaders of the Dniester region, the general noted, were informed of the documents prepared for signing. In his view, when deciding on the fate of the 14th Army it is necessary to take into account the Dniester region's interests, specifically in property issues.

The participants in the talks came to the conclusion that it was necessary to observe the process of synchronization of the Russian troops pullout with the political settlement of the conflict in this region and the granting of a special status to the Dniester region, Eduard Vorobiyov pointed out.

"The delegations have agreed on the issues of the Russian troops withdrawal and determined to carry out it within three years. The agreement will come into force only after signing it at the government level," the colonel-general stressed. According to him, this event will take place at the end of October.

Azeri Leader, Chernomyrdin Discuss Oil Deal

LD1410061494 Moscow Radio Rossii Network in Russian 0200 GMT 14 Oct 94

[FBIS Translated Text] Azerbaijani President Geydar Aliyev talked over the phone with Russian Prime Minister Viktor Chernomyrdin and Foreign Minister Andrey Kozyrev on Thursday. The sides exchanged views on a contract for joint exploration of Caspian oil deposits signed between Azerbaijan and the consortium of foreign companies and Russia's Lukoil company. According to the press service of the Azerbaijani president, Viktor Chernomyrdin said he had nothing against the contract. In his conversation with Andrey Kozyrev, Aliyev said he was puzzled by Russia's unwillingness to recognized the oil contract. Kozyrev assured Aliyev that Russia had no intention of introducing any sanctions against Azerbaijan.

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Chernomyrdin 'Sees No Problems'

LD1410111494 Moscow ITAR-TASS in English 1040 GMT 14 Oct 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Transcribed Text] Baku October 14 TASS—Russian Prime Minister Viktor Chernomyrdin assured President of Azerbaijan Geydar Aliyev that Moscow has nothing against the "oil deal of the century" which Azerbaijan had recently signed with major Western oil companies.

In a telephone conversation last Wednesday Chernomyrdin told Aliyev that he "sees no problems in connection with the signing of the contract", however there is the necessity to jointly solve the ecological problems of the Caspian Sea, as well as fishing issues, according to the press service of the leader of Azerbaijan which made public the text of the conversation on Friday.

Chernomyrdin thus played down Azeri fears caused by statements of the Russian Foreign Ministry that Moscow does not recognise the contract on developing oil deposits on the Caspian shelf as it has not been shared among former soviet republics, including Russia, which border on the sea.

However, Aliyev told Russian Foreign Minister Andrey Kozyrev during a telephone conversation held also on Wednesday that the division of the Caspian Sea into sectors had been fixed yet in 1970 by the then soviet Oil Industry Ministry. "The borders of the sectors of all Caspian republics have been specified then", Aliyev was quoted as saying by his press service which added that the president expressed "confusion" over the statements of the Russian Foreign Ministry.

"During many years of negotiations, which have been under way since 1990, the Russian side did not advance any objections against the project", Aliyev was quoted as saying.

Aliyev was especially confused by Russian mass media reports about a request forwarded on the issue by the Russian Foreign Ministry to the United Nations and the proposal of the ministry to the Russian Government to introduce sanctions against Azerbaijan.

"If we take into consideration that the Russian Foreign Ministry has not yet contacted Azerbaijan on the issue, such activities can be assessed as contradicting the friendly relations between the two countries", Aliyev was quoted as saying.

Kozyrev said that Russia plans no sanctions against Azerbaijan, according to the press service. The minister promised to consider the oil deal issue "in the light of the telephone conversation with the leader of Azerbaijan" and express his opinion in several days, it added.

PRC Nuclear Tests Seen Feeding Foreign Lobby

MM1310140594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 13 Oct 94 p 3

[Report by Andrey Kabannikov: "Testing Bombs and Patience in This Desert"]

[FBIS Translated Text] Beijing—It was Orwellian. The headline in a Beijing newspaper read "Total Nuclear Test Ban Desirable." The second paragraph of the article read: "China has successfully carried out an underground explosion...."

The nuclear device activated last week at the test range near Lop Nor lake was the 41st Chinese nuclear test. Specialists are putting the device's yield at 40-150 kilotonnes. In fact other countries—by which Beijing clearly means the members of the nuclear club—have not detonated any bombs for several years. Russia not since October 1990 and the United States not since September 1992. This informal moratorium is being observed by France and Britain. Only China is methodically (the previous explosion was this June) growing its nuclear mushrooms in the Takla-Makan Desert.

Each time Beijing cites the fact that it has tested far fewer bombs than the other nuclear powers (the United States, for instance, has carried out 965 explosions, Russia 936, and France 192). The moratorium allegedly merely enshrined the advantage enjoyed by other countries in these weapons. In 1996, when a treaty on a universal test ban is supposed to be signed, China will carry it out. Until then, according to experts from the International Atomic Energy Agency, we should expect China to explode a few more bombs.

As always in these situations, spy satellites recorded the preparations for the tests a few weeks before "H" hour. For that reason the explosion was not unexpected. The White House expressed profound disappointment about the event. Britain, Australia, and Japan expressed regret. Standing out from the overall chorus of protest was the voice of Kazakhstan, which has gotten rid of Semipalatinsk but has discovered another active nuclear test range near its borders. The Kazakhstani Foreign Ministry stated that the Lop Nor tests pose a serious medical and environmental threat to the region.

Beijing will get over this criticism. But there is a further danger: Will the other nuclear powers that have halted the race have enough restraint to calmly wait for others to catch them up? Producing nuclear bombs represents a huge industry and influential military-industrial complexes that operate all over the world and pressure the elite in their states. It is well known that the French president is coming under pressure from his own ministers who advocate the resumption of testing. Britain has exploded just 44 bombs and is unhappy that others are treading on its toes. After previous Chinese bomb tests Bill Clinton endeavored to indicate that he would take retaliatory action at the Nevada test range. The Russian president probably has similar problems. Each new detonation of a Chinese bomb becomes a tool in the hands of the pro-nuclear lobby far beyond the PRC.

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Political & Economic Issues

Yeltsin Meets Gerashchenko on Currency Situation

LD1410125994 Moscow ITAR-TASS in English 1254 GMT 14 Oct 94

[By ITAR-TASS correspondent Anna Melnikova]

[FBIS Transcribed Text] Moscow October 14 TASS—Russian President Boris Yeltsin met on Friday chairman of the Central Bank Viktor Gerashchenko. Two days ago Yeltsin requested the State Duma to dismiss the chief banker for an unprecedented collapse of the rouble.

TASS learned from well-informed sources in the Kremlin that the meeting focused on the situation with the Russian currency, as well as on measures of the Central Bank to stabilise the currency market.

It was not clear whether Yeltsin had changed his attitude to Gerashchenko's future.

Gerashchenko Submits Resignation

LD1410133194 Moscow ITAR-TASS in English 1324 GMT 14 Oct 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Moscow October 14 TASS—Viktor Gerashchenko tendered his resignation from the post of the chairman of the Central Bank of Russia during a meeting with President Boris Yeltsin on Friday.

The resignation was prompted by sharp criticisms levelled at the Central Bank management who had not intervened and allowed the rouble to crash last Tuesday.

The State Duma is now to accept or turn down Gerashchenko's resignation.

Duma Committee Decision Postponed

LD1310125694 Moscow Radio Rossii Network in Russian 1200 GMT 13 Oct 94

[FBIS Translated Text] Our correspondent reports that the State Duma committee for budget, taxation, banks, and finances examined today the president's proposal regarding the resignation of Viktor Gerashchenko, chairman of the Central Bank, but failed to take any decision. The issue was postponed until the commission set up by the Security Council has completed work. The commission is to submit its conclusions on the causes of the ruble crash on 11 October by Saturday.

Viktor Gerashchenko, who attended the Duma committee sitting, said that he still cannot understand what caused the catastrophic fall of the ruble. As regards today's ruble jump in the opposite direction Gerashchenko believes that it was caused by a striving to sell currency at any price while there are no more buyers wishing to use currency for speculation, Gerashchenko thinks. Viktor Gerashchenko did not venture to forecast the future dynamics of the ruble.

Duma Official Says Removal 'Unlikely'

LD1310183694 Moscow INTERFAX in English 1612 GMT 13 Oct 94

[FBIS Transcribed Text] The lineup of forces in the State Duma is such that the removal of Viktor Gerashchenko is highly unlikely, Chairman of the Duma Subcommittee on Banking Legislation Pavel Medvedev (Russia's Choice faction) says.

Last Wednesday the Communist and Agrarian factions, as well as the New Regional Policies group, with a total of 165 votes, opposed the removal of Gerashchenko.

Medvedev expects "the next several days on the Interbank Currency Exchange to determine whether the State Duma will uphold or reject President Yeltsin's proposal to remove Viktor Gerashchenko."

Medvedev expects no dramatic developments at the Interbank Currency Exchange because the Central Bank "made some purely technical steps to raise the ruble's exchange rate." "The depositing of rubles will rule out, at least for the time being, large-scale profiteering games on the currency exchange," Medvedev said. By the time the State Duma meets to discuss Yeltsin's suggestion, the situation at the Interbank Currency Exchange will stabilize in the interests of those who oppose the removal of Viktor Gerashchenko.

Abdulatipov Sees No-Confidence Vote 'Probability'

MK1310123094 Moscow SEGODNYA in Russian 13 Oct 94 p 2

[Report by Yelena Tregubova under the "Commentator" rubric: "Ramazan Abdulatipov 'Categorically Against Government Resignation.' Deputy Senate Speaker Convinced Regions' Heads Will Support Him"]

[FBIS Translated Text] Federation Council Deputy Chairman Ramazan Abdulatipov told your SEGODNYA correspondent yesterday that he thinks the State Duma may give the government a no-confidence vote. Such a State Duma decision, the deputy speaker felt, "has become a probability after the situation on the currency exchange and in light of the latest accusatory statements from Boris Fedorov addressed to the government and the president." However, Mr. Abdulatipov pointed out, "I am personally categorically against Viktor Chernomyrdin's resignation, and I am convinced that regional leaders will not support such a decision."

Mr. Abdulatipov is convinced that the main cause of the ruble's collapse has been the use of government credits for other than designated purposes. "As little as 10 or 15 percent of even the so- called special-purpose credits 'for grain harvesting,' 'for bringing commodity supplies to the North,' and so on, has reached consumers," he

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certified. The exchange crisis is blamed on Central Bank leaders "who have built the finance-credit system according to the 'air- money-air' formula." Ramazan Abdulatipov let it be understood that he thinks the resignation of Central Bank Chairman Viktor Gerashchenko a good idea; as for the resignation of Sergey Dubinin, he stated that "he was, in principle, a good finance minister," and he has been fired "most probably in order to vent steam."

Federation Council Chairman Vladimir Shumeyko, as his press secretary has advised, "so far in principle is refraining from comment and is trying to understand the situation."

Yeltsin Edict Sets Up Ruble Crash Commission

LD1310144994 Moscow ITAR-TASS World Service in Russian 1201 GMT 13 Oct 94

[FBIS Translated Text] Moscow, 13 Oct (ITAR-TASS)—Russian Federation President Boris Yeltsin issued an edict today "On the state commission for investigating the reasons for the sharp destabilization of the financial market."

The president approved the composition of this commission (the full list follows), having appointed Oleg Lobov, secretary of the Russian Federation Security Council, as its chairman and Sergey Stepashin, director of the Russian Federal Counterintelligence Service, as its deputy [chairman].

The chairman of the state commission is instructed to take the necessary measures to expose and analyze the reasons for and the conditions of the fall of the ruble against foreign currency; to draw up and submit proposals for the stabilization of the situation on the financial market.

The document makes it incumbent on the chairman of the state commission to make daily reports on the progress of its work to the Russian president. The edict came into force from the day of its signing. This was reported by the press service of the Russian president.

The composition of the commission is as follows:

O.I. Lobov, secretary of the Russian Federation Security Council (the chairman of the state commission)
S.V. Stepashin, director of the Russian Federal Counterintelligence Service (deputy chairman of the state commission)
V.I. Bukato, president of Mosbiznesbank
D.V. Vasilyev, deputy chairman of the Russian State Committee for the Management of State Property
V.N. Viktorov, deputy chairman of the Federation Council (by agreement)
A.T. Golubev, head of the Russian Foreign Intelligence Service directorate
M.M. Zadornov, chairman of the State Duma Committee for the Budget, Taxation, Banks, and Finance (by agreement)
A.V. Zverev, head of the Economic department of the Russian Federation Government Apparatus
Ye. A. Ivanov, consultant of the apparatus of the Russian Federation Security Council
S.V. Ignatyev, deputy economics minister of the Russian Federation
Yu. A. Konstantinov, chairman of the Council of Experts of Mezheconomsberbank
A. Ya. Livshits, head of the group of experts of the Russian Federation President
S.I. Lushin, director of the Scientific-Research Institute at the Russian Finance Ministry
I.D. Moskovskiy, head of the Finance and Budget Directorate of the Russian Federation President
M.N. Novikov, first deputy chairman of the Board of Promstroybank
A.Yu. Petrov, head of the department for finance, budget and monetary circulation of the Russian Federation Government Apparatus
V.A. Petrov, first deputy finance minister of the Russian Federation
L.I. Rozenova, economic adviser to the chairman of the Russian "Gazprom" joint-stock company
I.Yu. Rybakov, deputy head of the control directorate of the Russian Federation President
V.F. Ryabikhin, head of directorate of the Russian Foreign Intelligence Service
V.F. Saltaganov, head of the main directorate of the Russian Ministry of Internal Affairs
V.K. Senchagov, director of the Institute of the Stock Market of the Russian Ministry of Economics' Academy for Modern Economy
V.V. Sitnin, vice president of the All-Russian Exchange Bank
M.D. Slavgorodskiy, deputy procurator general of the Russian Federation
A.N. Troshin, deputy secretary of the Russian Federation Security Council
A.A. Khandruyev, deputy chairman of the [Central] Bank of Russia.

Text of Yeltsin Edict on Ruble Collapse Commission

MM1410082594 Moscow ROSSIYSKAYA GAZETA in Russian 14 Oct 94 p 2

[Russian Federation Presidential Edict No. 1995 of 13 October 1994, signed by President Yeltsin: "On the State Commission To Investigate the Causes of the Sharp Destabilization in the Financial Market"]

[FBIS Translated Text] In accordance with Russian Federation Presidential Edict No. 1994 of 12 October 1994, I decree that:

1. The appended list of members of the State Commission To Investigate the Causes of the Sharp Destabilization in the Financial Market (hereinafter, the State Commission) shall be ratified.

2. The following be appointed:

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O.I. Lobov, secretary of the Russian Federation Security Council, as chairman of the State Commission;

S.V. Stepashin, director of the Russian Federation Federal Counterintelligence Service, as deputy chairman of the State Commission.

3. The chairman of the State Commission shall:

take the necessary measures under the existing established legislative procedure to identify and analyze the causes and conditions of the ruble's fall against foreign currency;

report on a daily basis to the Russian Federation president on the progress of the State Commission's work;

elaborate and submit proposals on stabilizing the situation in the financial market on the basis of the results of the State Commission's work.

4. Information, analysis, organizational, and technical provision for the State Commission's work shall be entrusted to organs of Russian Federation state power whose representatives participate in the State Commission's work, and to the Russian Federation Presidential Staff.

5. This edict comes into force from the day it is signed.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin
13 October 1994
No. 1995

Ruble Probe Commission Seen Out of Place

MK1310115094 Moscow SEGODNYA in Russian 13 Oct 94 p 1

[Report by Dmitriy Volkov: "Acting Mr. Truncheon [Dubinki—play on words for Dubinin"]

[FBIS Translated Text] The president's decisive intervention in currency trading has proved that Boris Yeltsin does have the sense of self-preservation which has happily coincided with the interests of Russian citizens. Actions by the head of state appear fairly haphazard, however. The instantaneous firing of Sergey Dubinin from the post of acting finance minister will in reality bring relief to Mr. Dubinin alone. As for the state's responsible actions in carrying out monetary policy, it is the resolve shown by the president, who probably did not have time to think hard, that precludes one from pinning one's hopes on them.

Boris Yeltsin has set up a commission designed to protect the nation either from financial "saboteurs" or "irresponsible actions by a special group of organizers." Since the situation poses a threat to national security (which it does), the commission will be headed by Security Council Secretary Oleg Lobov; Sergey Stepashin, Federal Counterintelligence Service [FCS] chief, was made his deputy. This sounds logical. So logical that retracing the president's steps seems to be an easy task—the ruble collapsed; financial stabilization, which was achieved at the cost of "immense efforts," is in jeopardy; hence, the matter must be submitted to the Security Council, a commission must be set up, and the Security Council chairman must, of course, be appointed as commissar. His deputy will, of course, be the chief "Chekist," who must be tasked with finding those who "organized all that." That neither Mr. Stepashin nor Mr. Lobov have the professional qualities of economists was not taken into consideration (if there was any). Well, let them be if their functions are limited to a three-day investigation, searching, and arresting. Even if they must create from scratch a stock exchange police that would rule out "unauthorized communication" between Central Bank officials and players on the currency market.

A commissar is a very traditional phenomenon in our country's modern history. Commissars with Mausers, as is well known, did not pass over any aspect of communist Russia's social life. The difference between the Soviet commissar and, say, a police commissar is that the latter is nothing more than a representative of authority, whereas the former is authority himself. Bolshevik commissars were always busy finding and shooting drunken switchmen blamed for trains standing immobile. It is also well known that trains still do not roll in Russia even after the shootings.

Regardless of whether Mr. Stepashin finds a faulty switchman or if Mr. Lobov shoots one, the monetary sector will probably remain in dire straits and even superficial signs of financial stabilization will have to be achieved "at the cost of immense efforts." The malevolent "organizers" of hard-currency speculations that unscrupulously take advantage of information on exchange fluctuations in fact only exploit a clinical fact: ruble reserves traded at the exchange are owned by enterprises that are ready to go to any speculation lest they be forced to work. It seems that for them any other way of making profits is more convenient than the production of sought-after goods. Of course the industries' reaction to the currency collapse is understandable—they all keep dismissing suspicions that they stand to benefit from the ruble's fall. It is hard to deny, however, that Russian industry keeps 10 trillion rubles on bank accounts but does not repay its debts, to say nothing of its attempts to compete with imports by lobbying for a tougher customs policy instead of manufacturing goods. If a weak ruble is really hurting agriculture, the chemical industry, and all others, why seek its further downslide by demanding that more money be created?

It is easy to imagine that Mr. Lobov, as the commissar for money, would manage—if not to name the banks and bureaucrats who directly provoked "black Tuesday"—then at least to conclude on the basis of FCS data that corruption and the merger between entrepreneurs and bureaucrats make tighter police control over business activity imperative. This—possible—conclusion in itself is not altogether unfounded. But if that is all there is to

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it and if the managers of Russian industry are amnestied, the country would be doomed to go through continual, more or less acute crises of this kind over and over. The FCS would have been much more useful had it been subordinated not to Oleg Lobov (however loyal to his Sverdlovsk boss this person might be), but to a competent finance minister—maybe not Mr. Dubinin, maybe another person, but he must know his stuff.

For the time being, however, there are grounds to fear that the police truncheon, which is a necessity in any civilized society, might turn into an intimately familiar fighting stave once yet another leather-clad commissar lays his hand on it.

Kostikov Comments on Drop in Ruble

Says Gerashchenko Should Resign

LD1310190594 Moscow Radiostantsiya Ekho Moskvy in Russian 1710 GMT 13 Oct 94

[Comments by Presidential Press Secretary Vyacheslav Kostikov; place and date not given—recorded]

[FBIS Translated Excerpt] [Passage omitted] [Kostikov] Parliament has always tried to be independent from the president. As a strategy, this is, of course, a correct policy. In this particular case, however, it would be more sensible for the State Duma to support the president's demand for Viktor Gerashchenko's dismissal. However, I do not think this would happen because this is probably a case when, for tactical reasons, it would be in the Duma interests to behave rebelliously and demonstrate its independence to the whole world.

I think in this particular case the most sensible way out of the situation would be for Gerashchenko to submit his resignation after such a scandal, in which, in the opinion of the analysts, the guilt of the Central Bank is considerably bigger than, for example, the Finance Ministry, moreover, Sergey Dubinin personally. I think it would be very gentlemanly to resign.

This would have resolved the political problem as well and put an end to unnecessary confrontation between the president and the State Duma.

Cites 'Financial Coup Attempt'

LD1310174594 Moscow INTERFAX in English 1704 GMT 13 Oct 94

[FBIS Transcribed Text] Boris Yeltsin's spokesman has pointed to "serious political strings" attached to the ruble's crash on the Moscow Interbank Currency Exchange on "black Tuesday", October 11.

"There is a group of powerful commercial banks, closely linked with the radical opposition in the country. Among them, it is not difficult to single out the banks that finance the Communist and Liberal Democratic parties. There are signs that these banks have traded for profit the billions of rubles and dollars of the former CPSU," Kostikov noted in an interview with Interfax Thursday.

"It is not ruled out that these and no other banks were carrying out a direct political contract on "black Tuesday," he stressed.

At the same time, he warned against making early conclusions before a special commission, appointed by the president, completes its investigation, and wished that "the commission expose not only the perpetrators of the affair but also its sponsors," he said.

He believed that the sponsors of the event pursued two goals - strategic and intermediary.

"The strategic - to remove the president and halt market reforms. The intermediary - to show up Boris Yeltsin's team, provoke a Cabinet crisis, bring Victor Chernomyrdin down, and rid the government team of the last remaining reformers," Kostikov declared.

"What happened on October 11, to my mind, was a real financial coup attempt. And on this score, I do not rule out that a secret CPSU weapon - the money stolen from the country and people - was fired," Kostikov emphasized.

Opposition Behind 'Financial Putsch'

LD1310122794 Moscow Russian Television Network in Russian 0900 GMT 13 Oct 94

[FBIS Translated Text] Vyacheslav Kostikov, press secretary of the Russian president, does not rule out a serious political underlying cause to the sharp fall in the rate of the national currency on Black Tuesday, 11 October. In an interview with INTERFAX, he announced today that there exists in the country a group of powerful commercial banks closely linked to the extreme opposition, and there are signs that they are manipulating billions of rubles and dollars from former CPSU funds. It is not ruled out that it is these banks that carried out a direct political order on Black Tuesday.

Kostikov called the event on 11 October a financial putsch, in which the secret weapon of the CPSU—money stolen from the country and the people—was put in motion. And although it is still early to draw conclusions, the press secretary noted, one would hope that the commission will expose not only those who perpetrated this fraud, but those who ordered it too.

Fedorov To Return to Moscow 14 Oct

LD1310183294 Moscow INTERFAX in English 1612 GMT 13 Oct 94

[FBIS Transcribed Text] Boris Fedorov, leader of the December 12 Liberal Democratic Union group in the State Duma who is on business in London will return to Moscow on Friday afternoon [14 October], Aleksandr Zhukov, member of the Duma's Budget Committee and Fedorov's group, told Interfax.

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Zhukov denied reports that Fedorov had been called back.

He explained that the reports had appeared because Fedorov is regarded as the prime contender for chairmanship of the Central Bank of Russia if the State Duma supports Boris Yeltsin in dismissing Viktor Gerashchenko.

Gaydar Calls Yeltsin Dismissal of Dubinin 'Rash'

LD1310175194 Moscow INTERFAX in English 1703 GMT 13 Oct 94

[FBIS Transcribed Text] Yegor Gaydar has called Boris Yeltsin's dismissal of Sergey Dubinin from the post of acting finance minister a rash decision.

Gaydar, the leader of the Russia's Choice faction in the State Duma, noted in an interview with Interfax that Dubinin "more than anyone else in the government has pointed to the danger of the policy pursued for the past few months" and described Dubinin's resignation as "sad and painful."

Speaking about the Russian Central Bank's responsibility for the ruble's crash, Gaydar said that its chairman Victor Gerashchenko is "a highly qualified specialist," however, "in such a disaster, it is usual for the Central Bank to resign."

In Gaydar's view, the bank's leadership made "several serious mistakes" in recent months.

"The major one is that the Central Bank should have never agreed with the massive 13 trillion ruble emission, allowed by the government in the summer," he stressed. However, given this step, the Central Bank's management "should have realized that in view of the drastically changed economic situation, the landing rates need to be boosted immediately to counter an inevitable growth in currency demand."

The Central Bank's second blunder, in Gaydar's opinion, is that it tried to keep the rate of the ruble at a level of 2200 per dollar, which was totally unfeasible after the 13 trillion emission. It made such an attempt by going through huge currency reserves, saved against heavy odds throughout 1992-1993. Given this situation, the Central Bank ought now to bring the rate of the ruble down "to the figure, matching the real market conditions - 2800-3000 rubles" per dollar.

Gaydar blames three structures for what happened - "the political forces, above all Communists and Agrarians, who have pushed the government since April to hand out benefits, subsidies, and credits; the Cabinet which gave in to this pressure, and the Central Bank, which failed to block the 13 trillion emission."

Gaydar argues that if the State Duma accepts Gerashchenko's resignation, candidates to the posts of Central Bank chairman and finance minister should be considered simultaneously. He acknowledged that Russia's Choice faction has its own candidates, however, he refused to identify them.

Interfax has learned, the Russia's Choice faction is ready to support the nomination of ex-finance minister Boris Fyodorov to the post of Central Bank chief.

Dubinin, Finance Ministry Seen Not Guilty

MK1310112094 Moscow KOMMERSANT-DAILY in Russian 13 Oct 94 pp 1, 3

[Report by Vladislav Borodulin: "Repercussions of Tuesday Ruble Fall. A Currency Crisis Has Traditionally Evolved Into a Political Crisis"]

[FBIS Translated Excerpt] [Passage omitted] A lack of logic in the head of state's reaction to the ruble's plunge was evident in the phrase Boris Yeltsin pronounced at the Security Council meeting: This was "either sabotage or utter irresponsibility and sloppiness on the part of a special group of organizers." If one assumes that the ruble dropped so precipitously as a result of sabotage, there is no reason at all to fire Sergey Dubinin. If this was perpetrated by a special group of organizers, however, the president should have talked about well-orchestrated and responsible actions of the group, not sloppiness.

Such phrases, however, can be attributed to the stylistic peculiarity of presidential speeches. Still, Sergey Dubinin's dismissal does not appear to make any sense given his (and the Finance Ministry's as a whole) actual place in the Russian financial system. First of all, the Finance Ministry had absolutely nothing to do with the ruble's 11 October collapse: currency trading sessions have been controlled by Central Bank specialists. The finance minister's firing looks all the more baffling if one assumes that Boris Yeltsin decided to punish the bureaucrat for the government's financial weakness in the preceding period: in this case it would have been more logical to fire the entire government, because currently the Finance Ministry is carrying out the functions of a cashier, not the ideologist of financial and economic policy.

Sergey Dubinin's two deputies—Sergey Aleksashenko and Andrey Kazmin—effectively expressed their disagreement with charges leveled at their chief by warning about his upcoming dismissal. Official reasons given in the edict ("in connection with the critical situation that was allowed to come about on the financial market") are by themselves the quintessence of Russia's political culture with its marked penchant for personifying blunders and failures. [passage omitted]

Sergey Glazyev said at yesterday's meeting of the "roundtable" on ways to overcome the socioeconomic crisis, which was set up on the basis of the Public Accord Pact, that his committee had proposed back in July that the ruble's exchange rate be gradually lowered because, in committee specialists' view, the ruble was clearly

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overvalued. But the Central Bank started doing so only in the second third of August. Viktor Gerashchenko claims that $3 billion was spent on these purposes in August-September and $600 million in October. By the same token the Central Bank's ill-advised accounting policy can also be included among its "technical" errors: according to Yegor Gaydar, the refinancing rate should have been raised back in August. At the time, however, the bank's inaction was objectively playing into the government's hand: the cabinet had to do its utmost to show foreign investors the stability of the domestic economy.

There is every reason to say that it is the Central Bank that has largely determined the country's economic policy, taking virtually no advice from the president and preferring to present the government with a fait accompli. Independence, however, is not the quality that assures bureaucrats long life in office in contemporary Russia. According to Anatoliy Chubays, the premier is ready to accept Gerashchenko's resignation. Presumably, economic and administrative reasons are of secondary importance for Viktor Chernomyrdin in this case, though—what matters is that the head of state thinks so. [passage omitted]

Yesterday's statement by the Central Bank chief at the State Duma evidently helped the parliament to develop a more sober stance compared to that of the president. Viktor Gerashchenko said that the bank had taken a number of steps to stabilize the situation and that there is every reason to suggest that the trend toward a rise in the ruble will continue into the next few days: "Deputies who have hoarded plenty of dollars can go and sell hard currency at exchange offices."

The State Duma deputies' wariness of changing the country's chief banker was expressed most vividly, perhaps, by Grigoriy Yavlinskiy: The question of the Central Bank chairman should be considered extremely thoroughly, he said, "otherwise by the time a decision is made the ruble will have risen to its pre-reform rate of 6 rubles per dollar." In a country of paradoxes anything is possible, just as the most breathtaking rumors circulating at the government staff that none other than Viktor Gerashchenko could be appointed finance minister might prove to have some ground.

[Article includes the following boxed passage]

Commentary by Political Affairs Department

The fact that statesmen who had something to do with the Tuesday catastrophe were fired or that a commission—in this particular case the State Commission on Investigating Reasons for the Abrupt Destabilization of the Financial Market—was set up was no news at all. From time immemorial bureaucrats have been fired during emergencies of national importance and commissions have been set up to investigate the reasons.

There is a fairly curious aspect to the decision made by the president, however. The commission was set up not as part of the Federal Counterintelligence Service or the Prosecutor's Office, but directly at the Security Council. The president's deliberative body has thus acquired investigative functions. "No one falls outside the Security Council's jurisdiction," as the president put it. The Constitution does not say anything about such functions of the Council, and it is not quite clear how the commission intends to formalize its procedures or what it would do if a banker suspected of destabilizing the financial market refuses to testify, citing the Constitution.

Internal Ministry Aides on Ruble Crash

MK1310111094 Moscow NEZAVISIMAYA GAZETA in Russian 13 Oct 94 p 2

[Report by Irina Shkarnikova under the "MVD" rubric: "Militia Versions"]

[FBIS Translated Text] One of the versions regarding the abrupt fall of the ruble proposed by MVD [Ministry of Internal Affairs] experts looks like this. Huge ruble funds have lately been set aside by the government in the form of special-purpose credits. Banks were supposed to keep tabs on how the money is used which they, however, are not doing, MVD staffers maintain. Besides, no law envisions criminal sanctions for using the credits for other than the designated purposes. Therefore, the credit funds were freely converted by the enterprises. The president's edict "On Additional Measures To Enforce Law and Order in the Country," signed last September, spelled out some measures to prevent the use of the credits for undesignated purposes. The edict is no law, however, and it does not go beyond declarations.

The other version of the Russian Federation MVD experts is that the Central Bank was going to take tough measures next January to stop transfers of hard currency from Russian banks to banks abroad. Thus, the sharp fall of the ruble happened because banks are converting rubles in a hurry before the new year to transfer them abroad. This version leads one to the idea that the most favorable conditions have been created in our country for the prosperity of bank workers.

Russian Federation MVD experts have declined to comment on the version that attributes the sharp fall of the ruble to shady deals [tenevaya igra] at the Moscow Interbank Currency Exchange provoked by a consortium of banks, explaining that it is premature so far to speak about such conclusions. Concrete conclusions will follow after an investigation has been carried out by a state commission included in which, incidentally, has been Vyacheslav Saltaganov, chief of the Russian Federation MVD Main Directorate for Economic Crimes.

Chernomyrdin Resumes Sochi Vacation

MM1410091794 Moscow KOMSOMOLSKAYA PRAVDA in Russian 14-17 Oct 94 p 2

[Report by correspondent Gennadiy Bochkarev under "From Friday" rubric: "Dollar's Leaps Do Not Affect Chernomyrdin's Suntan at All"]

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[FBIS Translated Text] After his sudden visit to Moscow Viktor Chernomyrdin returned to Sochi and continued his vacation. The premier and his wife are relaxing in a dacha in the "Bocharov Ruchey" government complex, where the Russian president also has a dacha. Curiously, Chernomyrdin's wife did not travel to Moscow.

The chairman of the Russian Federation Government is not only bathing and sunbathing on vacation. He has met Filatov, leader of the Presidential Staff, and Acting General Prosecutor Ilyushenko, and has also had conversations with heads of administrations of Russia's southern regions. There is also a facility in Sochi that is close to Viktor Stepanovich's heart—the fashionable Radisson Lazurnaya Hotel, in the funding of whose construction the "Gazprom" concern participated when Chernomyrdin was in charge of it.

Banks Behind Ruble Panic Said Linked to Premier

LD1310172094 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 13 Oct 94

[FBIS Translated Text] Valerian Viktorov, a member of the commission set up by the president, said today that it is already known which commercial banks provoked the ruble panic on the exchanges, and that it is also known that certain political forces are behind them—unquote.

According to unofficial information possessed by our radio station, among these banks are Imperial, Inkombank, Natsionalnyy Kredit, and Stolichnyy. Furthermore, yesterday evening, Moscow Television also named Most Bank.

Observers note that all of these banks are closely linked to the current government and to the prime minister in person.

Ruble Crash: Chernomyrdin 'Set Up'

MM1310130594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 13 Oct 94 p 1

[Commentary by Yevgeniy Anisimov under the rubric "Putting the Question Point Blank": "Who Stands To Gain From This?"]

[FBIS Translated Text] Yesterday morning it was possible to take bets on the outcome of trading on the Moscow Interbank Currency Exchange [MICE]: Some said that the Central Bank would put pressure on the exchange rate, and even named the new level—around 3,500 rubles [R] to the dollar. Others believed that all was not what it seemed, and tried to find hidden intrigues, concluding on these grounds that the rise in the exchange rate of U.S. currency would possibly continue. The victory, albeit not an out and out victory, went to supporters of the first view—the exchange rate fell by R190.

The fact that events on the MICE are soemthing out of the ordinary is borne out by the urgent return of Prime Minister V. Chernomyrdin from Sochi, where he had recently gone on vacation. Russian President B. Yeltsin called on Russians to remain calm and announced that all necessary measures would be adopted. He promised that there would be no sharp increase in prices and that a state inquiry into the incident would be held. The most "necessary" measures for some reason turned out to be an edict on the dismissal of Acting Finance Minister Sergey Dubinin and a recommendation to the State Duma that Viktor Gerashchenko, chairman of the Central Bank of the Russian Federation, be relieved of his post. It is somehow not entirely clear to us just what S. Dubinin is guilty of—his influence on the formation of the exchange rate amounts merely to fulfilling directives on the issue of preferential credits emanating from the government. If budget money found its way onto the currency market, the acting finance minister should have been punished earlier, when he signed the corresponding documents... V. Gerashchenko, chairman of the Central Bank of the Russian Federation, has long been spoken of as a man combining economic policy with "pure" politics. His influence on the formation of the exchange rate is indisputable, hence the recommendation to the State Duma looks more logical.

The Security Council, which met yesterday in the Kremlin, was chaired by B. Yeltsin, and one of the principal questions discussed at the session was the situation on the currency exchange. It was decided to set up a special state commission, which should within a few days (three at most) uncover the causes of the catastrophic fall of the ruble. This fact alone suggests that the Security Council and the president were not satisfied by the explanation that they and the public as a whole had been offered by the leaders of the Ministry of Finance, the Central Bank of the Russian Federation, and the country's leading economists: namely that the fall was due to an upsurge in the speculative tendencies of participants in trading and the machinations of a few commercial structures, which inflated the exchange rate deliberately for the sake of huge profits. These causes are the most obvious, as are the explanations offered by supporters of more radical methods of reforming the economy—A. Chubays, Ye. Gaydar, and B. Fedorov. Speculation and large-scale credit injections have happened before, and were moreover actually more frequent in the past, but the exchange rate reacted entirely predictably.

The state commission set up in the Security Council is to report on the results of the inquiry next Saturday [15 October]. The report will be delivered, evidently, by its chairman, Oleg Lobov, although the basic work will be carried out by Sergey Stepanshin (Federal Counterintelligence Service), who has been made deputy chairman of the commission.

Having set out the principal events, we can now proceed to the commentaries and proposals. Our correspondents

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report from the State Duma that during his speech Sergey Filatov, head of the presidential staff, look perplexed. He proposed that the root causes of the events on the MICE lie deeper than might appear at first glance. We share this supposition, since it is well known that any reshuffle of personnel in the Russian leadership is always preceded by "external" events of some kind. Let us attempt to examine the following version.

It is common knowledge that a high dollar exchange rate is profitable primarily to exporters of Russian products—this has become a commonplace in reflections on the economy. Precisely because it is a commonplace, the corresponding stereotype could have been used to discredit Prime Minister V. Chernomyrdin, who, as is well known, prior to his governmental appointments headed the gas industry. For his opponents—and, moreover, for everyone else too—the link between the premier and the "oil and gas lobby" is also a commonplace. In this analysis it becomes obvious that the easiest way to compromise the premier is by an action which appears obviously to play into the hands of exporters, but which is prejudicial to the interests of the rest of the country's population. Such an action could be the organization of panic on the currency exchange and of an explosion in the dollar exchange rate. And then it would be sufficient to whisper in the president's ear: Look who stands to gain from this... And for Viktor Chernomyrdin things would be mightily uncomfortable...

As if confirming this version of the real, as opposed to the ostensible, causes of the events, Yu. Shafranikov, head of the Ministry of Fuel and Energy, issued a statement saying that it would be the oil and fuel complex that would be hardest hit by the new ruble exchange rate.

There are not that many other explanations, since the version we offered yesterday about a forthcoming exchange of money looks after all too improbable. The most likely version is that V. Chernomyrdin was "set up"—or there was an attempt to set him up. Certain other, indirect, evidence works in favor of this version. For instance, a large number of law-enforcement officers have recently died in tragic circumstances. The mafia does not kill people in uniform unless absolutely essential (an escape attempt, an unexpected clash). That is the way things are in the world at large, and that is the way they are in our country as well. On the other hand, it is very easy to use the murder of militia officers to whip up passions and destabilize the situation. This ploy is used, as a rule, by extremist political forces on the eve of decisive events.

A somewhat alarming chain of events is unfolding. Militia officers are killed, provoking the sympathy of the population and the justified anger of their colleagues. On the financial market scandal follows scandal, affecting the material interests of an ever increasing number of citizens. Rumors of an imminent governmental reshuffle are spread. The head of state lands himself in yet another scandal at an Irish airport and this receives wide publicity. Finally, the ruble falls unpredictably and very drastically, bringing a huge number of small, medium, and—to some extent—large firms to the brink of bankruptcy. At the same time the pay of the entire population is devalued, which can have only one result—popular resentment. The situation can be salvaged by sacrificing major figures—no one will be satisfied with just a few drops of blood.

Speaking in the State Duma, Sergey Filatov said that "the consequences for the government could be very serious." And the president described the ruble crash as an emergency situation, as sabotage or extreme irresponsibility on the part of a "special group of organizers."

Is it possible that the relatively tranquil period in our lives is now at an end?

'Political Factors' Seen Behind Ruble's Recovery

MM1310155794 Moscow IZVESTIYA in Russian 14 Oct 94 p 1

[Report by Ivan Zhagel: "Dollar Heeds President and Falls. Is the Game Over?"]

[FBIS Translated Text] October 13 will probably have been a black day for many of the players in the foreign exchange market. In Moscow Interbank Currency Exchange trading the dollar fell from 3,736 rubles [R] to R2,994.

Whereas a couple of days ago there had been record demand for foreign currency on the exchange, 13 October saw an unprecedented amount of foreign currency on offer—$361.15 million. And demand was very modest—$53.2 million. The pendulum has swung the other way, as one foreign exchange dealer sarcastically remarked: The game's over, I'm going on vacation.

Incidentally, things are still far from being completely calm on the foreign exchanges, and the repercussions of this incident will persist for a long time at the top political level. It is also an undoubted fact that it was political factors rather than any changes in the economy that got the ruble up off its knees. Stabilizing the situation was a matter of life and death for many representatives of the authorities, and this was understood even by the players in the market, who were quick to change their tactics.

A number of experts believe that in recent trading the Central Bank of Russia even had to buy up foreign currency to prevent the dollar from falling any further. The specific figure of $150 million has been mentioned. The replenishment of Central Bank reserves and the continuing speculation promise to continue strengthening the ruble in the immediate future.

Before trading opened there were suggestions that the urgently adopted new regulations under which banks have to set aside rubles in a special account—something

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that was not done in the past—could have a substantial impact on the rate. Naturally, many of the banks were unable to remit the money in time. But, judging from the number of banks taking part in recent trades, the new regulations have proved not to be a major obstacle. On 13 October 71 banks engaged in currency trading—and that is approximately the average number of clients on the foreign exchange market ordinarily.

Moreover, the new regulations are hardly likely to be able in any way to influence the exchange rate in the long term. The banks may be able to set aside money in special accounts. Although, of course, the risk associated with such operations increases, since it is necessary to calculate what the situation will be several days in advance. Nonetheless, it is not these innovations but real changes in the country's economic policy that will actually be able to make our financial system more stable and predictable.

Central Bank's Tulin Blames Speculation

MM1410081594 Moscow IZVESTIYA in Russian 14 Oct 94 p 2

[Report by Ivan Zhagel: "It Would Be Criminal To Leave Country Without Any Foreign Reserves"]

[FBIS Translated Text] Dmitriy Tulin, deputy chairman of the Central Bank of Russia, is responsible for foreign-currency policy, and therefore we put the following question to him—was the rapid fall in the ruble a case of "sabotage by a group of organizers," and just what did happen 11 October, when the rate "slumped" by almost 1,000 rubles [R]?

It is interesting that D. Tulin is a member of the state commission which is to investigate what happened, although he himself is not ruling out the possibility of his having to appear as both witness and accused. I think that this uncertainty is entirely natural when the existence of a group of plotters is announced before the situation is clarified and an attempt is made to find a simple solution to complex economic problems.

In respect of the events of 11 October, D. Tulin stated that they faced a difficult choice that day. The difference between supply and demand in the market was so large that the Central Bank had to sell more than $300 million in order to stabilize the rate. At that level of foreign-currency intervention the Central Bank's reserves would be enough for a week at most, after which the market would become totally uncontrollable. Incidentally, in similar situations Western central banks sometimes spend up to $40 billion in the marketplace. Russia simply does not have those sorts of reserves.

The Central Bank deputy chairman believes that the impact of foreign-currency intervention is often simply overestimated in our country. The stability of the national currency is determined by the state of the economy as a whole, and also by many subjective and even psychological factors. If the country permits itself to run a huge budget deficit, if enterprises are not paying each other the money they owe, and if the funds thereby obtained are used to speculate on the foreign exchanges, then periodic upheavals on the foreign-exchange market are simply inevitable.

Nor should we lose sight of the fact that, with the rise in the population's incomes that has been observed of late, people simply have nowhere to invest their money—neither in housing certificates nor in industry. The only more or less reliable way of preserving your capital was the banks. But the decline in inflation and interest rates made even them not very attractive. In addition, decisions were passed to make the banks report to tax organs major operations involving individuals—which prompted a sharp outflow of deposits and increased the demand for foreign exchange.

For instance, since early October people have withdrawn five times more money from the Industrial Construction Bank than they have deposited. Given that the population now holds around R20 trillion, plus R10 trillion in commercial banks' available funds, when these funds were speculatively moved into the foreign-exchange market it was simply impossible to stabilize it. That, D. Tulin believes, is why we should not be looking for some saboteurs but really getting down to solving our existing problems.

Regional Reaction to Ruble's Collapse Reported

MM1310133594 Moscow ROSSIYSKAYA GAZETA in Russian 13 Oct 94 p 1

[Unattributed reports: "Regional Reaction"]

[FBIS Translated Text] Moscow—Literally in a matter of hours dealers divided into those who were rubbing their hands in expectation of a "return" and those who started to reflect tormentedly over the unpredictability of the exchange rate. Businessmen who had managed to purchase a commodity and get it to a warehouse before the ruble's collapse belonged to the first category, and those forced to pay for concluded contracts at the current dollar rate belonged to the second. There was an instant leap in the price of imported cigarettes, cold drinks, beer, and spirits. Surprisingly a consensus was reached and the price ceiling was at an identical level in practically all the capital's rayons. On average everything became 30-40 percent more expensive.

Maybe for the first time in the recent past the change in the exchange rate has affected most sections of the population. True, judging from conversations on public transport, people fear that the dollar movements could also drive up ruble prices for domestic products. They base their arguments on rocketing gasoline prices, which suddenly became 50 percent more expensive overnight, and bread prices. The assurances from our captains of the economy that the situation at the currency exchange does not reflect the true state of affairs in the economy do not convince many people.

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St. Petersburg—For the second day people wanting to buy or sell dollars are crowding around practically all currency exchange offices. The situation in these waiting lines is, to put it bluntly, hostile. A real brawl broke out at the Savings Bank's currency exchange office in Kuznechnyy Pereulok.

Dollars are being bought mainly by ordinary citizens who want to rescue their savings. A very old woman standing in a long line at the nearest exchange office to the ROSSIYSKAYA GAZETA office admitted that she had brought all the money she had at home.

Speculation at Petersburg exchange offices has intensified the criminogenic situation surrounding them. Skinhead boys are on duty at offices where a low selling rate has been fixed, controlling the line and buying up currency. According to Internal Affairs Main Administration data, all kinds of swindlers, who are trying to sell counterfeit bills, have suddenly become more active.

A. Aleksandrov, representative of the Association of St. Petersburg Industrial Enterprises, gave a brief assessment of the situation: "It is getting out of control."

Tula—The unrestrained rise of the dollar is causing another leap in inflation, because the prime cost of output being produced is immediately increasing, A. Alyabyev, director of the Lev Tolstoy publishing and printing association, believes, stating that unless this process is halted enterprises will simply shut down. Right now 1 kg of colored ink costs 18,000-20,000 rubles [R] and a roll of photographic film costs R460,000. Now the price will leap 50-100 percent, Aleksandr Ivanovich believes.

V. Shiryayev, general director of the Tula Cartridge Plant joint-stock company, and Yu. Pravdin, his colleague from the "Tulasantekhnika" joint-stock company, advance roughly the same arguments.

So far no panic has been observed in Tula, but the situation is alarming. Commercial structures reacted instantly by increasing commodity prices.

Ruble Predicted To Rebound Further 14 Oct

LD1310183594 Moscow INTERFAX in English 1744 GMT 13 Oct 94

[FBIS Transcribed Text] Commercial bank dealers involved in trading sessions on the Moscow Interbank Currency Exchange (MICEX) predict the ruble rate will rebound further on Friday.

The Central Bank of Russia [CBR] heavily intervened on Thursday's session, buying in the ballpark of $150 million, one dealer said. More importantly, he said, the CBR bought back part of its initial supply of currency. An Aeroflot bank dealer said that out of the initial supply of $361,15 million, some $150-200 million belonged to the CBR.

He linked today's ruble rebound to interim rules for account- settling introduced on Thursday.

Under the new rules taking effect from Wednesday [12 October], clearing accounts of banks are checked before the start of a trading session.

If these are kept in place and the CBR is patient enough, the dollar will continue to fall over the next two or three days, the dealer said.

The dollar is now sold at a rate of Rbl 2840 to Rbl 2860 per $1 at exchange offices.

Ruble Closes at 2,988 at MICEX

LD1410094794 Moscow ITAR-TASS in English 0927 GMT 14 Oct 94

[By BUSINESS-TASS]

[FBIS Transcribed Text] Moscow October 14 TASS—The rouble rose to 2,988 to the dollar at the Moscow Interbank Currency Exchange (MICEX) on Friday.

According to the MICEX information service, the volume of sales totalled 98.20 million dollars (previous index - 139.30). The initial demand was 52.50 million dollars and the supply—123.00 million dollars. According to MICEX dealers, the Central Bank of Russia purchased 35 million dollars at today's trading session.

Dollar Drops at MICEX Sales

LD1410103494 Moscow ITAR-TASS in English 1000 GMT 14 Oct 94

[By BUSINESS-TASS correspondent]

[FBIS Transcribed Text] Moscow October 14 TASS—The exchange rate of the U.S. dollar again dropped today after the Thursday sharp boost of the rouble's rate at the Moscow Inter-Bank Currency Exchange (MICEX). It now stands at 2,988 roubles per U.S. dollar, i.e. six roubles below the Thursday rate.

According to local dealers, the Russian Central Bank had offered for sale a considerable amount of hard currency at the beginning of today's bargaining. Then, after the dollar's exchange rate fell, the bank began to actively buy up dollars. The Central Bank had in this way bought about 35 million U.S. dollars during today's session.

MICEX officials claim that the Russian Central Bank, which had spent much amounts of hard currency in August and September to keep up the balance between demand and supply at the Inter-Bank Currency Exchange, now has at its disposal only about 1.8 billion U.S. dollars to effect currency interventions. If demand for hard currency at the MICEX will in the future top the supply, the volume of central bank interventions is bound to decrease, they claim.

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In expert opinion, today's activity at the Inter-Bank Currency Exchange had noticeably slumped as compared to the Thursday bargaining. This is borne out primarily by the decreasing volume of trading, which today amounted to 98.20 million U.S. dollars, as compared to 139.30 millions on Thursday. The initial supply figure dropped noticeably on Friday: it equalled to 123 million U.S. dollars, which is approximately 67 per cent less than on Thursday (361.15 million U.S. dollars). The initial demand amounted to 52.50 million dollars.

The next MICEX session will be held on October 17.

Mineralnyye Vody Kidnappers Sentenced to Death

LD1310135194 Moscow ITAR-TASS World Service in Russian 1314 GMT 13 Oct 94

[By ITAR-TASS correspondent Nikolay Styazhkin]

[FBIS Translated Text] Stavropol, 13 Oct—At a trial that ended in Stavropol today, three Chechen terrorists—Usmanov, Nanagayev, and Dovtukayev—were sentenced to the highest degree of punishment—death. At the end of July they seized 37 passengers on a bus travelling a regular route in Mineralnyye Vody and took them hostage. During the operation to release them, four hostages were killed, six of the passengers being held by the terrorists and also five servicemen from the Russian MVD [Ministry of Internal Affairs] special forces received various burns and wounds.

Zaveryukha Denies Reports of Planned Grain Imports

LD1310183394 Moscow ITAR-TASS in English 1742 GMT 13 Oct 94

[By ITAR-TASS correspondent Yuriy Khots]

[FBIS Transcribed Text] Krasnoyarsk October 13 TASS—Vice- Premier of the Russian Government, Aleksandr Zaveryukha, currently on a working visit to Krasnoyarsk, has categorically denied reports alleging that Russia would import grain this year.

"The Russian Government has not raised this question," Zaveryukha said. "Media reports referring to sources from the Russian Agriculture Ministry are absolutely groundless since the ministry is not entitled to purchase grain or even calculate needed amounts. This is a prerogative of the government," Zaveryukha said.

"It is the export of grain which is on the agenda now," Zaveryukha said. "We have adopted a resolution envisaging compensation to grain producers worth half the cost of a railway tariff. Funds allocated for this purpose amount to 50 billion roubles. This will enable us to more actively integrate into the world market," Zaveryukha said.

Touching upon a crops forecast for 1994, Zaveryukha said it would reach about 90 million tons, which will be sufficient both for fodder and the food industry.

Lowest Harvest Since Mid-Eighties Expected

LD1310172994 Moscow INTERFAX in English 1706 GMT 13 Oct 94

[FBIS Transcribed Text] Russian farmers have harvested grain in 89% of the fields and have threshed 77.6 million tonnes compared to 91.2 million at the same time last year, officials in the Russian Agriculture and Food Ministry told INTERFAX. The harvesting is especially slow in the Altay, the Kurgan, Chelyabinsk and Perm Regions and in Eastern Siberia.

Experts are worried over the slow rate of grain purchasing for federal reserves, which have received as little as 1.3 million tonnes, against 10.3 million a year ago. The regional grain funds have accumulated 6.8 million tonnes compared to 13.3 million a year ago. The percent of high quality wheat remains low.

Leonid Cheshinskiy, president of the Roskhleboprodukt contracting corporation, said this week that the wheat harvest was as little as 31 to 32 million tonnes against last year's 43 million and that the baking industry would face shortages as early as in the first half of 1995. Russia this year will witness the lowest harvest since the mid-eighties, he thinks.

Military & Space Issues

Tomsk Nuclear Facility Threatened by Blast

LD1310203894 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 13 Oct 94

[FBIS Translated Text] Today the Tomsk Region administration announced that a powerful explosion of powder waste [vzryv porokhovykh otkhodov] occurred in the precincts of a military base on 12 October. The blast was not far from a nuclear research center.

INTERFAX reports that the shock wave blew out windows in most nearby buildings. A strong shock was felt in all districts of Tomsk. Three tonnes of powder waste exploded, injuring six people.

In the view of experts from Gosatomnadzor, the blast, which caused a shock measuring three points [scale not specified], presented a serious danger for the city. A defense institute with a nuclear reactor is sited two kilometers from the scene of the accident, and 10 kilometers away is a chemical combine, also with nuclear production facilities.

Military Factor in Ruble Crisis 'Myth'

MM1410100194 Moscow KRASNAYA ZVEZDA in Russian 14 Oct 94 p 1

[Statement by Defense Ministry Press and Information Directorate: "Financial Injections into the Defense Sector Are a Myth"]

[FBIS Translated Text] Over the last few days there have been claims in the mass media that inordinate financial

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injections into defense were allegedly one of the reasons for the financial crisis in Russia. How do things really stand?

This January-September the Defense Ministry received only 38.7 percent of the annual funds envisaged by the Russian Federation Law "On the 1994 Federal Budget," whereas it should have received around 63 percent.

According to Defense Ministry specialists' estimates, which take into consideration the real rate of inflation, the Finance Ministry monthly allocation of funds diverges between 42 percent in March and 98 percent in February from the projected level based on the annual amount envisaged by the budget. At the same time the bulk of the funds in February (over 1.1 trillion rubles [R]) was earmarked for the payment of part of the Defense Ministry's 1993 debts.

What kind of financial injections into the defense sector can there be when the Defense Ministry's overall debts have reached R6.9 trillion, around R2.5 trillion of which constitutes debts to defense enterprises for output which they have produced and which has been accepted by the Defense Ministry and for work carried out within the framework of the defense order ratified and adjusted by the government?

Payments are not being made for produced output, work that has been carried out, and for transport, communications, and other services. The Defense Ministry constantly exercises tight control over the distribution of budget funds among defense enterprises involved in production sharing. In many cases the Defense Ministry, by agreement with main enterprises, makes direct payment for spare parts for arms and military hardware. However, owing to the extremely unsatisfactory funding, there is not enough money to pay for main enterprises' overheads (wages, heat, electricity, etc), not to mention totally paying off their debts to associated plants.

The mounting arrears effectively amount to defense complex enterprises providing the state with an interest-free loan. At the same time the date for the redemption of these loans, along with the mechanism for recovering them from creditors, has not been determined.

Potential Impact of Crisis Viewed

MM1310140094 Moscow KRASNAYA ZVEZDA in Russian 13 Oct 94 p 1

[Article by Ivan Ivanyuk under the general heading "The Dollar Triumphs. But How Is the Army, Paid Not In Dollars But In Rubles, To Live?": "Our Commentary"]

[FBIS Translated Excerpt] [Passage omitted] Following the "collapse" of the ruble, will the government be able to prevent an equally abrupt increase in prices and the pace of inflation?

An answer to this question is awaited impatiently in the Armed Forces too, since pay and wages in the troops are, after all, not paid in dollars. And because of the continual delays in the arrival of these revenues in the family budgets, in the majority of families they have turned into a source of paying off debts, and are hardly likely ever to become spare funds which could be invested in dollars. So that the pocketbook of the officer, warrant officer, and employee of the Russian Army, which is thin in any case, is threatened with a further impoverishment.

The general stock-taking at commercial stalls and the change of price tickets on imported goods in these dramatic days have so far not been perceived as very painful—even before, the greater part of overseas products were not very easily available to the defenders of the Fatherland. But what if the rise in prices affects the real essentials? And the fact that another spiral of the inflationary processes in our country is highly likely is admitted even by the most cautious observers.

The question of the military budget for 1994 is also critical. It was calculated on the expectation that the dollar-ruble exchange rate would at the end of the year be 3,000. And the Finance Ministry even managed to state that inflationary expectations had been overestimated and that in connection with this, defense spending should be cut back from the 40.6 trillion rubles [R] provided for by the law, to R32 trillion. But as the events of recent days have shown, the expectations were, on the contrary, severely underestimated. And, by the logic of things, it is time for the very same Finance Ministry to raise the question of not reducing but increasing the budget appropriations, including those for military spending and indexation of pay and wages. Some people should also ponder the fact that the problem of the provision of livelihood for the troops which, on the eve of winter, is already critical (the Army and the Navy owe suppliers hundreds of billions of rubles), could become simply insoluble.

...Purely by a chance juxtaposition of circumstances, the elemental natural force that ravaged the Far East coincided in our country with an outburst of the elemental market force, whose strength was perhaps felt by all of us so acutely for the first time after a prolonged calm. It holds total sway over the financial sphere, devaluing people's ruble deposits and savings and undermining confidence in tomorrow. Perhaps the best that could be expected, and that the optimists believe in, will still happen—in a week or two the dollar may settle again in its old position. But how many new disappointments this could bring again to those who have already burned their fingers on MMM, Tibet, or RDS [Russkiy Dom Selenga] shares, and who have now joined an apparently safer game! And then, once again, there will be no avoiding the social and political storms which this fall, so it seemed, were going to pass us by....

Kokoshin Defends Army, Industries Budget

LD1410082294 Moscow Mayak Radio Network in Russian 0328 GMT 14 Oct 94

[Interview with Deputy Defense Minister Andrey Kokoshin by correspondent Viktor Levin; place, date not given—recorded]

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[Levin] I would like to put the first question to you as an economist, as a correspondent member of the Russian Academy of Sciences. What do you see as the reason for the financial crisis that has hit our country?

[Kokoshin] We still need to take a serious look at the reasons, and more competent people probably need to do this since I have been dealing with a comparatively narrower range of issues. But I think that the economic situation in the country as a whole represents a very serious problem.

[Levin] Let me now address you in your official capacity. Harsh savings will probably need to be made now, and taken to the absurd, savings mean destruction. Are you not afraid that this might affect the Defense Ministry's budget?

[Kokoshin] The financing of the Defense Ministry and the armed forces already lags permanently behind the amount set out in law. And the suggestions in some of the mass media that Black Tuesday was caused by funds being poured into the armed forces or into defense are not borne out in reality at all since the gap between what we are meant to receive and what we actually do receive remains large. Both the armed forces and the enterprises meeting state defense orders constantly experience a huge shortage of funds relative to the amount allocated by law. For example, the state's debt to defense enterprises carrying out orders, including design and planning, currently amounts to around 2.4 trillion.

[Levin] Of course, we have to make savings now, but where is the limit permissible to prevent significantly worse consequences?

[Kokoshin] We need to make savings in some areas, but we must not make savings in others. This is not just an economic or political question, it is not just a matter of balancing accounts. It is about deciding where money should be given and growth created, and it is of course about determining where belts need to be tightened. But as far as the armed forces and the defense industry are concerned, things are already as tight as they can be for us.

'Selfish' Generals Obstructing Army Reform

MM1310150594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 13 Oct 94 p 2

["Military Review" by Igor Chernyak: "Generals Support Defense"]

[FBIS Translated Text]

What Do Khamene'i and Mandela Have in Common?

A strange coincidence: Soon after the end of Boris Yeltsin's visit to the United States, the Russian Federation Foreign Ministry circulated to interested departments a special letter containing a list of countries with which scientific and technical cooperation (the exchange of advanced technologies) is not recommended. In addition to Yugoslavia, Iran, Iraq, North Korea, and Zaire, South Africa also figures on the list. This latter ban has caused particular surprise in the Russian Federation Defense Ministry, where all-out preparation is under way for Chief of the General Staff Mikhail Kolesnikov's visit to Pretoria. And questions of enhancing military-technical cooperation between the Russian Federation and South Africa will be far from the least consideration during his visit.

It has been learned from confidential sources in the Russian Defense Ministry that representatives of the South African military-industrial complex have several times already proposed to Russian defense industry leaders pretty lucrative, mutually beneficial projects concerned with pooling their efforts in the sphere of equipping the Navy and Air Force with modern computer and navigation systems. This apparently concerns submarines and fighters in particular. Here, incidentally, it is worth recalling that, although Malaysia has bought MiG-29's from us, it has asked that we extend the operational life of the engine, fit the planes with new space communications, navigation, and air refueling systems, and lengthen the service interval for flight equipment in consideration of the climate of the region (the Americans tried to exploit this weakness of the Russian fighters, even offering to sell the Malaysians their F-16's and F-18's at half price). If the South Africans do help Russia perfect the MiG-29, it will enjoy even greater demand in the international military market—which promises a considerable hard-currency return to Russia in the future. For its part the Russian Federation is ready to give up certain technological secrets in the sphere of naval shipbuilding. Understandably such a prospect does not go down well with everyone....

Defense Ministry experts note that this is not the first instance where the Russian Foreign Ministry has acted to the detriment of national interests while the president, the government, the Security Council, and the parliament close their eyes to it.

We'll Die But We Won't Leave Our Offices

After repeated attempts by the military department to reform itself, a commission headed by Viktor Chernomyrdin personally has set about its reorganization (various commissions and committees headed by Marshal Shaposhnikov, Generals Kobets, Volkogonov, and Vladimirov, Colonel Yushenkov, Reserve Major Lopatin, Captain Lieutenant Nenashev, and others have tried unsuccessfully to do the same). To date the commission members have been familiarizing themselves with the organizational and staff structure of the Defense Ministry, but they have been unable to obtain any clear answer to two questions: With what aim was such a large number of deputy ministers (8) created; and why do the Defense Ministry and General Staff structures have directorates which duplicate each another? For example, you have the Main Directorate of International Military

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Cooperation and the Directorate of Military Cooperation; the International Treaty Directorate and the Directorate for the Implementation of the Russian Federation's International Treaties Concerning the CIS and Baltic Countries. The generals are going to great lengths to prove that every one of them has his "own" special task to deal with, but their arguments are, judged by the strictest criteria, dictated by self-preservation and selfish interest and cost the state billions of rubles.

Another masterly piece of thinking among the generals is to have the conceptual studies for the organizational development and reform of the Army undertaken simultaneously by the General Staff Center for Military Strategic Studies and the Directorate for Military Organizational Development and Reforms, which was set up by Pavel Grachev himself. (Anticipating the threat of the ax, they recently renamed this directorate the Military Policy Directorate, and now even its staff cannot sensibly explain the reason for all this song and dance). As far as the abundance of deputy ministers is concerned, it is clear to anyone even slightly acquainted with military matters that such an aggregation of people lacks vitality and merely detracts from the efficiency of the management and control of the Armed Forces. Will the Chernomyrdin commission be able to make decisions? For the time being only one thing is clear: The host of generals will not give up without a fight. According to certain reports, Pavel Grachev recently forbade the commanders of troops and military districts to give any information whatsoever to commission members.

The current development of events in the country is playing into the generals' hands: In a situation where the future of the premier himself is in jeopardy he is understandably in no mood to take them on.

The Supreme Commander Runs Wild

Boris Yeltsin made a sensational statement at the final White House press conference during his recent U.S. trip: Russia and the United States will simultaneously stand down all their missiles immediately after the ratification of the START-II Treaty instead of the year 2003. Many military nuclear experts regard this statement as populist and divorced from real life. Yeltsin's remarks at the 4 October press conference that we and the Americans are committed to standing down our missiles within seven days rather than seven years caused general bewilderment.

The main problem here is that even on ratification of START-II Russia will scarcely be able to make such a move unless all the nuclear countries agree to stand down their missiles at the same time (no matter what powers the Russian Federation president possesses, he will scarcely be allowed to jeopardize the country's military security so recklessly). For the time being, however, China and France are pretending not to have heard the Russian president's initiative, while Britain has bluntly rejected this undertaking. The utopian nature of Yeltsin's proposal resides in the fact that, in addition to Russia and the United States, "antinuclear" commitments will have to be assumed by the other NATO countries....

In the opinion of a number of military experts, it should not be forgotten either that the Russian Federation came out the loser after signing the Treaty on the Reduction of Conventional Armaments in Europe. Under that treaty Russia will be able to have a strictly limited number of tanks, armored personnel carriers, infantry fighting vehicles, artillery pieces, and aircraft on the western borders. Given the range of potential threats, missiles were and remain the reliable guarantor of Russia's national security. They should be reduced in a manner commensurate with the military threat, wherever it may stem from, according to analysts.

Disinformation from the Information Directorate

The Russian Federation Defense Ministry Information Directorate recently issued another denial: "All the various kinds of speculation about the involvement of the Russian Armed Forces in the Chechnya conflict" were described as gross provocation. This statement provoked wry grins from many Russian Defense Ministry generals and other officers: First, Russian TV has shown footage of the latest firearms and "Soviet"-style uniforms being handed out to the fighters of opposition detachments, many of whom have very striking army haircuts, a military bearing, and markedly non-Caucasus features. Later broadcasts from Chechnya showed Russian tanks and materiel and then helicopter gunships. The official line is that this has all been purchased from Russia by the opposition. But where has the Interim Council, which is even saving on matches, obtained such resources? And where have such wonderfully trained helicopter gunship crews come from? Crews which fired missiles at Groznyy airport with pinpoint accuracy (it is impossible to train airmen to that standard of marksmanship in two to three months without an appropriate training base, which the opposition does not have, according to Defense Ministry specialists). Another blunder occurred soon after: Mr. Bugayev, leader of one of the groups in opposition to Dudayev, heatedly told "Vesti" that Russia must stop supplying "written-off equipment" (the very fact of the supply of military equipment being thereby acknowledged). While another Defense Ministry gift appeared in the Russian press on 23 September: A photograph of special forces from the Russian Federation who had arrived to help the opposition. It is no longer possible to refute all this by a simple denial of our military's "involvement."

In the opinion of a high-ranking Russian Defense Ministry officer, our military special services have never operated so brazenly and openly.

Space Forces Launch New Communication Satellite

LD1310210294 Moscow INTERFAX in English 2006 GMT 13 Oct 94

[FBIS Transcribed Text] The Russian space forces successfully launched the first communications satellite of the new generation Express to a geostationary orbit.

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The space forces press service told Interfax that the satellite was brought by a Russian heavy booster Proton-K from the ground Baykonur to the pre-calculated point of the circumterrestrial orbit. According to the flight programme, Express will reach its stationary point 36,000 kilometers above the earth Friday.

According to a spokesman for the space forces, the Express series will replace out-of-date Russian satellite Gorizont whose technical resources will soon be exhausted. The new satellite, expected to function for seven years on the orbit, is equipped with 12 relaying channels instead of the eight which Gorizont had.

Mir Station Power Supply Problems Continue

LD1310133694 Moscow Radio Rossii Network in Russian 1100 GMT 13 Oct 94

[FBIS Translated Excerpt] Yet another series of emergency operations is under way in the Mir orbital complex. As has already been reported, the station has lost its orientation. The solar wings of the complex supplying electricity to the residential and operational compartments have turned away from the sun. The station's power supply has become more scarce, something which has affected living conditions and the functioning of scientific instruments. So what is happening up there, in the near-Earth orbit? Konstantin Lantratov, an employee of the Videokosmos research association, gives the following explanation.

[Lantratov] It has become impossible not only to carry out any research but even to remove carbon dioxide from the station and to generate oxygen. And there are six of them now. [passage omitted]

During all day yesterday both the cosmonauts and the Flight Control Center tried to sort out the causes and to solve the situation that had emerged. It seems that the station's electric power supply failed because of a short-circuit in one of the systems. In the evening, using the engines of the Soyuz TM19 craft, they succeeded in turning the station's solar batteries to the sun. So electric power supply was restored at the orbital complex. Also in the evening, the cosmonauts managed to start a standby onboard computer thereby making it possible to maintain the orientation of the Mir in order to ensure that the batteries get charged as much as possible. [passage omitted]

Workarounds Devised for Mir Station

MM1310155194 Moscow IZVESTIYA in Russian 14 Oct 94 p 1

[Report by Sergey Leskov: "Mir Cosmonauts on Starvation Power Rations"]

[FBIS Translated Text] We have learned that the Russian Mir orbiter, currently with six cosmonauts aboard, is experiencing serious power supply difficulties. The station's on-board automatic control system, its orientation system, and all its auxiliary systems have been disengaged. All the power is being used for crew life-support.

The power crisis on Mir, IZVESTIYA was told by Viktor Blagov, deputy mission leader, arose as a result of a very unfavorable ballistic situation. The inclination of the plane of orbit to the sun is currently very small and is continuing to deteriorate. As a result, the solar batteries' efficiency has fallen sharply. In order to recharge the chemical batteries a decision has been made to disconnect the entire station, apart from life-support and air-regeneration systems. There are currently five Russian cosmonauts aboard the Mir complex—including one woman—and an astronaut from the European Space Agency. This record population "density" has resulted in the life-support systems having to work much harder.

According to Viktor Blagov, normal operations will be restored on the the station Saturday. Owing to the difficulties that have arisen, Ulf Merbold's program of scientific experiments will be amended somewhat, but there is currently no reason to fear that it will not be carried out. Naturally, the crew will not be carrying out any other experiments this week, apart from medical experiments.

Although our specialists are noting that the orbiter passes through ballistically unfavorable regions six times a year, such a critical on-board situation has not arisen before. Undoubtedly, the difficulties relate to the fact that the station—which has been in space for nine years now—has aged, and its systems (particularly the solar batteries) are not operating efficiently enough.

In this connection a decision has been made to send up an additional set of solar batteries to the Mir station in early 1995. It is estimated that their capacity will make it possible to carry out the vast program of joint Russo-U.S. research involving the Mir orbiter.

New Rocket Developed for Satellite Launches

LD1310202794 Moscow INTERFAX in English 1905 GMT 13 Oct 94

[FBIS Transcribed Text] Russian spacecraft manufacturers have ended the first stage of design work on developing a new generation heavy duty Angara rocket which will be used to carry payloads into outer space early next century.

Head of the Khrunichev spacecraft makers Anatoliy Kiselev told Interfax that the construction of a new launch pad for Angara rockets at the northern Plesetsk cosmodrome was complete by 50 percent and would be ready for commercial launches in 1995 and the year after.

The future of the project is now hinged on financing, Kiselev said.

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The Angara rocket is designed to carry a payload of 4.2 tonnes into near-earth orbit. Apart from Plesetsk, two similar launch pads are to be put up at a new cosmodrome, Svododny-18, in the Amur region, Russia's Far East.

Federal Assembly

Yeltsin Satisfied After Federation Council Meeting

LD1310130394 Moscow ITAR-TASS World Service in Russian 1206 GMT 13 Oct 94

[By ITAR-TASS correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 13 Oct—The system of legislative power—a bicameral parliament—justifies itself and is beginning to yield quite good results, Russian President Boris Yeltsin stressed today at a meeting in the Kremlin with the Federation Council's leadership—Federation Council Chairman Vladimir Shumeyko and his deputies Ramazan Abdulatipov and Valeryan Viktorov. The president admitted that the functioning of the chambers is not without some negative aspects. However, in his view this is natural, as in any family, in any organization, in any body. Yeltsin remarked that no one could name him a single country's parliament that was without its downside aspects in its work. One should not hope that everything will run smoothly, the president remarked.

He expressed satisfaction in connection with his meeting with the leadership of the upper chamber of parliament, noting that he stays in constant touch with the Federation Council members.

Duma Sets Confidence Vote for 21 Oct

MK1310114094 Moscow SEGODNYA in Russian 13 Oct 94 p 1

[Report by Yelena Kolokoltseva under the "Duma" rubric: "Ruble's Fall Could Boost Confidence in Government. Communists Unwilling To Fire Cabinet of Ministers at Someone Else's Prodding"]

[FBIS Translated Text] The State Duma has exploited the ruble's fall as a pretext to call a vote of confidence in the government 21 October. The vote will be preceded by Viktor Chernomyrdin's report on the 1994 budget and monetary policy for next year, included in the agenda for next Wednesday [19 October]. The chamber stopped short of voting on Viktor Gerashchenko's resignation yesterday, passing the decision on the Central Bank chairman's fate to the budget committee in accordance with its current rules of procedure. Today the committee is expected to present its opinion to the State Duma Council, which will make a definitive decision on whether the State Duma will vote on firing Mr. Gerashchenko at its next meeting 14 October or whether the fate of the country's chief banker should be decided on the same day as the confidence vote.

As a matter of fact, the confidence vote was called in large measure out of inertia—as soon as the communists suspected that someone else was interested in changing the cabinet, they were swift to state through Gennadiy Zyuganov: if there is someone else, we will vote against. That the currency scandal might have been caused by the economy's communist pattern of behavior, not conspirators' scheming, did not occur to the politicians.

Meanwhile, acting Finance Minister Sergey Dubinin, who learned about his dismissal from journalists, told State Duma members that the Central Bank raised its refinancing rate beginning yesterday, that the system of advance payments on currency transactions was introduced at the Moscow Interbank Currency Exchange, and that the government planned to step up its involvement in the financial market by issuing securities. He said that unless the State Duma supports the 1995 draft budget drawn up by the Finance Ministry, which aims at achieving a monthly inflation rate of not more than 2 percent, "exchange fluctuations cannot be avoided and long-term steps taken by the government will not be a solution."

The deputies were not particularly concerned about the statement of a minister who fell from grace or in blaming the ruble's plunge on the finance minister, who, as is well known, is not directly responsible for exchange rate dynamics, does not set refinancing rates, and does not determine the volumes of the Central Bank's interventions at the currency exchange. Grigoriy Yavlinskiy and Budget Committee Chairman Mikhail Zadornov were the only exceptions. The latter said in particular that "the decision on firing Sergey Dubinin was wrong. A situation has come about where a finance minister who should take less blame for the currency collapse has been dismissed, while the Central Bank chairman, whose fault is greater, could well survive the crisis and stay in office."

Opposition Seen Short of Votes

MK1410133094 Moscow KOMMERSANT-DAILY in Russian 14 Oct 94 p 3

[Report by Natalya Arkhangelskaya, Sergey Tsekhmistrenko: "Parliamentary Factions Meet. Government Should Pin Hopes on Opposition Split"]

[FBIS Translated Text] Although questions of the upcoming government report and the confidence vote technically were not included in the agenda of yesterday's meeting of State Duma factions, they nevertheless became the leitmotif of the debate. One can state with confidence that tentative interfaction blocs in view of the upcoming debate on the Chernomyrdin cabinet also took shape yesterday. Still, one cannot assert that the fate of the country's government is already decided—the

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opposition, torn by personal ambitions of its leaders and its conflicting interests, is yet a long way from achieving unity.

Yesterday, observers' attention centered on the meeting of the Democratic Party of Russia [DPR] faction, which initiated the debate on the government 12 October. Although the DPR faction consists of only 15 deputies and does not call the shots in the lower chamber, it has the unofficial leader of the State Duma's anti-government movement, Sergey Glazyev, among its members. To all appearances, his views remain unchanged: the current cabinet is still the main target of the potential "opposition shadow premier," who is not inclined, however, to condemn Viktor Gerashchenko, seeing the Central Bank chairman only as a government tool.

Glazyev was particularly energetic yesterday: apart from the DPR's meeting, he also had time to visit the Communists', where he accused the government and the president of failure to adhere to provisions of the presidential message to the Federal Assembly and the Public Accord Pact respectively. The fact that he showed up among Zyuganov's followers does not appear to be a coincidence at all: Your KOMMERSANT-DAILY correspondent has learned that the communists took serious offense at the plagiarism of Glazyev's colleagues. The issue is that the Communist Party of the Russian Federation has for several months pressed the government to deliver a report to the State Duma on those same counts the DPR proposed. Admittedly, the communists' stance appears more balanced and logical: what they demand is a report; only by depending on it could a decision be made on whether the question of confidence should be raised at all, they suggest. For Glazyev, however, the cabinet's report is just a pretext to talk about firing it. Nonetheless, an alliance of sorts appears to be emerging between them—they scheduled a joint meeting for 18 October to coordinate stances. The Agrarians could also join them. There are signs, however, that the "countryside communists" are so far not inclined to back the Glazyev-Zyuganov tandem, as they are willing to put up with what little they can get: for instance, the replacement of current Agriculture Minister Khlystun with Yegor Stroyev, a brand- new doctor of agricultural sciences and member of the Federation Council.

Factions representing an opposite part of the political spectrum are preparing to hold a similar coordinating meeting 18 October. Among these, "Russia's Choice," for understandable reasons, is standing by the government's side most firmly, while at the same time resolutely demanding Gerashchenko's dismissal. Boris Fedorov, leader of the "Decembrists," is certain that the government resignation is long overdue, but he is unlikely to be willing to pull chestnuts out of the fire for Glazyev. Grigoriy Yavlinskiy still insists that President Yeltsin is the root of all evil, so a change of government would be nothing more than a stop-gap measure. Centrist factions—"Women of Russia" and the Party for Russian Unity and Accord—are unlikely to take on the cabinet either: the former for socio-biological reasons (as traditional guardians of the hearth) and the latter as a party that has one of the largest representations in the government. As a result one can surmise that advocates of a no-confidence vote will not gather the requisite majority at the crucial moment, even if the unpredictable Liberal Democratic Party faction comes to their rescue. Of course, unless a catastrophe similar to Tuesday's ruble plunge occurs in the economy before 21 October.

Rybkin Briefs Duma on Gerashchenko Resignation

LD1410140094 Moscow ITAR-TASS in English 1332 GMT 14 Oct 94

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow October 14 TASS—Viktor Gerashchenko tendered his resignation from the post of the chairman of the Central Bank of Russia, State Duma Speaker Ivan Rybkin told the house members on Friday.

In view of this, President Boris Yeltsin withdrew his proposal to relieve Gerashchenko of his duties, Rybkin said. However, under the new constitution of Russia, to dismiss or appoint a person to the post of the Central Bank chairman is within the competence of the State Duma.

The resignation was prompted by sharp criticisms levelled at the Central Bank management who did not intervene and allowed the rouble to crash last Tuesday when the rouble rate declined by more than 20 percent within one day.

Gerashchenko Address to State Duma Reported

MM1310104594 Moscow SOVETSKAYA ROSSIYA in Russian 13 Oct 94 p 1

[Report by Nadezhda Garifullina: "Threefold Fall"]

[FBIS Translated Text] The unheard of and unprecedented collapse in the ruble exchange rate by a full 845 points at the Moscow Interbank Currency Exchange on Tuesday 11 October rebutted the welter of optimistic assurances from B. Yeltsin and the government in recent months about an incipient stabilization, on the one hand, and spread panic and all kinds of rumors of imminent changes, even to the point of the government's resignation, on the other. The ruble's threefold fall since the start of the year prompted the Russian Federation State Duma to place the question "the dynamics of the ruble exchange rate" on the agenda of yesterday's sitting.

Viktor Gerashchenko, chairman of the Russian Federation Central Bank, who was invited to address the sitting, gave deputies a report on the situation in the currency

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market. In 1992 and the beginning of 1993 we experienced a process of economic stabilization. One aspect of that stabilization was the privileged position of the dollar as an investment instrument and a medium for saving income. Legal persons, banks, and physical persons sought to convert all their free resources into dollars, which practically wrecked Russia's monetary system. The only method of overcoming this problem that the Central Bank of Russia could see was to achieve a positive interest rate on deposits and credits. It seemed vitally important that interest rates on ruble dealings should be higher than the level of inflation and higher than the rate at which the ruble was depreciating.

As a result, in V. Gerashchenko's opinion, there were positive changes in the market in 1994. At the start of this year the rates of the external depreciation of the ruble and of the increase of the dollar exchange rate were virtually equal to the rate to inflation, that is, investments in hard currency assets ensured only a hedge against inflation. But if the domestic investor placed his free resources in a ruble instrument and placed these deposits in the bank system, they ensured him not only protection against inflation but also a fairly high profit. In these conditions, the money investment market developed in favor of the ruble and an intensive movement began away from the dollar into the ruble.

As much as we would like to avoid this unpleasant fact, today's events, in Gerashchenko's opinion, show that recently the exchange rate movements have begun to outstrip both the rate of official inflation and the sensible interest rates. He noted with great concern the high rate of increase in the dollar exchange rate and of its positions in the foreign market [i yego pozitsiy na vneshnem rynke] despite the active interventions of the Central Bank which in August-September spent a little over $3 billion trying to ensure the ruble's smooth descent against the dollar.

The Central Bank chairman stated confidently that there are no fundamental reasons for the destabilization of the financial sphere. All that we have seen in the past two to three months has been a certain aggravation of budget difficulties which has led to a certain growth in the government's loan requirements. The Central Bank satisfied the government's demand for bank credits but did not go beyond the guidelines set by the monetary programs.

He went on to say that the availability of free resources in the money market in recent months helped to bring down interest rates. The additional, one-off injection of funds into the banking sector as a result of the government's crediting led to a sharp change of banks' priorities in the formation of their credit portfolio. The banks did not expand the issue of credit to the national economy, as we are wont to say. In real terms commercial banks' credits in the current year even fell somewhat. Demand for interbank credits was static... The increase in the reserves of the banking systems was inevitably focused on the foreign currency segment of the money market. But the Central Bank's armory of money-credit policy instruments does not yet include the means flexible enough to siphon off the banks' surplus reserves, which has also aggravated the situation.

V. Gerashchenko noted that the initial demand for foreign currency was not speculative in character although the massive release of liquidity was too powerful and demand for foreign currency sharply exceeded supply. Despite the large-scale currency interventions, the Central Bank was unable to maintain the ruble exchange rate at a level pegged to inflation and profitability in other segments of the money market. The result was that the ruble exchange rate fell, income from foreign currency dealings proved most attractive to those with liquid assets, and the demand for foreign currency rapidly began to acquire the characteristics of speculation. Speculative moods then spread fairly quickly among the banks, enterprises, and citizens.

Indeed, the whole technology of the artificial creation of the currency crisis, as presented in detail by the Central Bank chairman to the scrutiny of the State Duma deputies, is as old as the hills and has long been known from the novels of Theodore Dreiser, Upton Sinclair, and other writers who committed to print the life and morals of the society in which they lived and worked. We can only congratulate ourselves on the fact that we are finally getting our full share of the capitalist paradise promised and so temptingly publicized by our home grown "democrats."

The present explosion of the currency crisis, Viktor Gerashchenko stressed, is yet further evidence of the tremendous importance of accelerating the development of the structure of operations in the securities market, which would make it possible to control the money supply promptly.

So what has the Central Bank done about the fact that the ruble exchange rate fell sharply on Tuesday despite the interventions it has carried out? V. Gerashchenko reported that there has been a discussion of the situation and of the necessary measures which might have a stabilizing effect on exchange rate movements. For example, the Central Bank has bought some of the Finance Ministry's foreign currency reserves and on 12 October the discount rate on Bank of Russia credits was officially increased from 130 percent to 170 percent. To counteract currency speculation the rules governing settlements at the Moscow Interbank Market have been tightened as of 12 October. To make ruble investments more attractive, there will be an auction sale of state 3-month treasury bonds.

After V. Gerashchenko's answers to deputies' questions and a speech by acting Russian Finance Minister Sergey Dubinin, State Duma Speaker Ivan Rybkin informed deputies of the setting up of a State Commission to investigate the circumstances of the wholesale collapse in

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the ruble exchange rate in the Moscow Interbank Currency Market on 11 October 1994 and the proposal that Mikhail Zadornov, chairman of the Budget and Finance Committee, be included in it. He then announced that the president had signed an edict dismissing S.K. Dubinin from his post. The president has issued an appeal to State Duma deputies—in accordance with paragraph D, article 83 of the Russian Federation Constitution—to examine his proposal on the dismissal of V.V. Gerashchenko from the post of Chairman of the Central Bank "in connection with the critical situation which has occurred in the financial position which has created a threat to economic security."

Communist Motion Condemning Yeltsin Fails in Duma

LD1410103894 Moscow ITAR-TASS in English 1005 GMT 14 Oct 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow October 14 TASS—The attempt of the communist faction of the Russian State Duma (lower house of the parliament) to foist on the mps the discussion of "the Russian president's bahaviour during his official and working visits" has suffered a fiasco. The motion was tabled during the current plenary meeting of the Duma by MP Anatoliy Gordeyev, representative of the Russian Communist Party, who tried to persuade the mps that Yeltsin's behaviour "was not befitting for the head of the Russian state". However, the motion did not get the necessary number of votes—only 124 mps voted for its inclusion in the agenda of the session.

Duma Rejects Mandatory Medical Examinations

MM1310113194 Moscow IZVESTIYA in Russian 13 Oct 94 p 1

[INTERFAX report: "Duma Opposes Medical Screening of Highups"]

[FBIS Translated Text] The State Duma did not back a proposal on Wednesday [12 October] to formulate a law that would make it possible to conduct mandatory medical screening of all candidates for top state posts and the people holding those posts.

Duma Snubs Federation Council on Media

MK1310131094 Moscow SEGODNYA in Russian 13 Oct 94 p 2

[Report by Aleksey Kirpichnikov under the "Unity" rubric: "State Duma Ignores President, Federation Council, and Threatens Government"]

[FBIS Translated Excerpt] [Passage omitted] The State Duma has dealt with equal success with the Federation Council's objections against one of the "Poltoranin" laws on the mass media. The principle amendment to the law "On the Mass Media" that Mikhail Poltoranin and his committee for the mass media were insisting upon prohibits the bodies of state power from being the founders of periodical media with the exception of those that publish official documents. Obviously, such a prohibition primarily affects the interests of regional leaders, and the decision made by their representative organ—the Federation Council—that rejected the Duma draft was quite explainable. Now the Duma people have taken revenge on the "senior comrades," and should the president sign the draft law, the situation with the local press is to change radically, although from the legal point of view.

The other draft by the Mass Media Committee—"On the Procedure for Covering the Activities of Organs of State Power by the State Mass Media"—which was also rejected by the Federation Council, applies only to radio and television now that the previous document has been passed. This time around the Duma people failed to collect 301 votes by a small margin, and now a conciliation commission of both parliament chambers will be set up.

Finally, the State Duma managed to gain two-thirds of the votes on a question important for the political life of Russia but which remains in the shadow of the budget: the impending repeat registration of the multitude of regional newspapers, and the resignation of Mr. Gerashchenko and Mr. Dubinin. The lower chamber has overcome the Federation Council's veto on making amendments on a range of tax laws, and in payments toward non-budget funds—these amendments are concerned with the financing of election campaigns. The upper chamber objected against levying preferential profit and income taxes on the money "invested in politicians" on the same footing as money channeled for charity.

On the crest of repealing the veto, however, the deputies rejected, by the very same two-thirds of the votes, the excessive punctiliousness of the Federation Council members (and justly so—those guys find, as a rule, simpler solutions to financing problems) and they now await the president's approval in writing. If such approval is forthcoming, the Duma people will, in addition to the problem of financing their future campaigns, solve the question of a "Law on Charity" which is being drafted. Clearly, as soon as it becomes possible to pay no taxes not only on money transferred to orphans, widows, old folks, and to other charity-targeted persons, but also on the money contributed to corresponding funds for politicians and their association for election purposes, the economic part of the future "Law on Charity," and hence the law itself, will become rather senseless.

Duma Ratifies Law on UN Climate Convention

LD1410123394 Moscow ITAR-TASS in English 1216 GMT 14 Oct 94

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

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[FBIS Transcribed Text] Moscow October 14 TASS— The federal law "on ratification of the U.N. framework convention on changing the climate" was adopted by the Russian State Duma today. This document was sent for the consideration of the Duma by President Boris Yeltsin of the Russian Federation.

Aleksandr Bedritskiv, the Russian president's official representative and nead of the Federal Service on Hydrometeorology and Monitoring of the Environment, who presented this document to Duma deputies, said that Russia had signed the U.N. framework convention on changing climate in Rio de Janeiro in June 1992.

According to Aleksandr Bedritskiy, the main aim of the ratified convention is to stabilize a discharge of greenhouse gases into atmosphere at such a level which would not lead to the destruction of the ozone layer of the planet as this would result in strengthening of a greenhouse effect and considerable changing of the climate on earth.

The State Duma also passed the federal law "on ratification of the treaty on basic principles of friendly relations between the Russian Federation and the Lao People's Democratic Republic".

Interview With State Duma Speaker Rybkin

LD1310194394 Moscow INTERFAX in English 1714 GMT 13 Oct 94

["Exclusive" report No. 41 of 91]

[FBIS Transcribed Text] Interfax has organized a panel news conference with IVAN RYBKIN: 70 publications and broadcasting companies from different parts of the country sent in their questions to the speaker of the State Duma. Interfax Exclusive begins publishing the answers:

Q.: What are the most pressing tasks facing the State Duma in your opinion? (Karelia newspaper)

RYBKIN: As for the autumn session of the State Duma, it will discuss over 200 draft laws. This does not mean that all of them will be approved this autumn. We live according to the principle "Die but sow your rye". That is why these drafts will be debated by the autumn session and then the spring session and evidently something will be left for the next Duma.

The plan was worked out together with President Yeltsin, the government, the Federation Council and federation members to which Karelia belongs, by the way. It must not be forgotten that all the 89 members of the federation have the right to legislative initiative. Say, Chechnya is too busy now for that. But I think that common sense will prevail in Groznyy and everything will move to civilized forms of a peaceful settlement in that republic, too.

First of all we must approve in the third reading the Civil Code which is actually the economic constitution of the country. The 1995 budget is also an extremely important question. It was worked out through joint efforts with the government. The prime-minister is now studying it. We agreed that the budget, the new Tax Code and the government economic program, its evaluation of the present state of the economy and plans for 1995-1997 will be submitted to the Duma.

We intend to approve the federal budget in 1994 so that for the first time in several years the country would enter the new fiscal year with settled finances. I think this is a key condition of overcoming the economic crisis in Russia. And we must admit that our economy is undergoing inevitable radical structural changes.

Back in 1991 at the congress of the Socialist Workers' Party I said that the old system should be dismantled, not shattered to dust: one can build nothing of dust. Steady and consistent dismantling, the replacement of outdated parts and units - that is the main thing. We must make the economy turn its face to people, four fifths of the economy should serve public needs and only one fifth defence, heavy engineering etc. Unfortunately, today we must admit that we have not brought about a crucial turn in the economy.

We have also completed work on the criminal, administrative, arbitration, land, water and air codes. There is also the new labor code that takes into account the new practices of the Russian mixed economy, the diversity of forms of ownership and management. The electoral code which includes the laws on elections to the State Duma, presidential elections, the formation of the Federation Council, the key principles of executive and elected bodies in Federation members, the key principles of local self-government and the referendum. Most of these laws have been drafted and some even have several versions.

Everything I named forms the backbone of a law-governed state which should be built on the basis of the constitution approved on December 12, 1993.

This is the planned work as far codes are concerned. The Duma should also keep an eye on the rapidly-changing life and draft laws on pension indexation, on the living wage, on veterans, on the securities' market.

We all know of the MMM and Russki Dom Selenga scandals. Of course, we would want to help the shareholders ruined by the downfall of the companies. But I must say frankly that new market conditions also require a new mentality. You should realize that if you begin gambling with securities, you should remember that like at a horse race or in a card game you will not always be lucky. You can win today and lose tomorrow. If you accept 500% of dividends today, you should realize that those are five pieces of butter from some one else's bread added to yours. You win today, but tomorrow you might lose those five pieces and the one who wins might take away your own sixth piece. The law on the securities' market will be drafted to help people during this transitional period.

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I must say that when I carefully studied the legislation of countries with a long established tradition of parliamentary work, I did not find such laws. There no one gambles so wholeheartedly, because people know that a promise of 500% of profit is a gamble. People in those countries are used to living decently and are able to plan their life and the lives of their families for years ahead and do not go into such adventures. The situation in this country is somewhat different.

Q.: Which legislative initiative of federation members do you find most important? What does the Duma do about them? What is the mechanism of work on such legislation? For instance, the Komi republic came out with the initiative of amending the law on employment. (Komi Gor broadcasting company)

A.: First of all I must say that unfortunately, federation members use their right to legislative initiative impermissibly rarely.

As for the Komi republic, its initiative is now being debated at the social security committee led by Sergey Kalashnikov. The draft will go through the autumn session. No doubt it will be taken into account.

Among active federation members I would name Lipetsk and Voronezh regions, the Far East and some members of the Siberian Pact.

The coordinating council of the Federal Assembly and executive and elected bodies of federation members recently completed its work in Yaroslavl. We agreed to establish closer ties.

I would like to repeat that the contribution of territories to the work of the spring session of the Duma was impermissibly small. They submitted only two draft laws while we expected important initiatives from them that would take into account the peculiarities of the regions and give them greater independence.

I am convinced that not everything can be seen from Moscow. Strong territories will guarantee the strength of the whole nation. We are ready to discuss any legislative initiatives and I spoke of that during our visits to Siberia, the Far East, Central Russia, the North-West, the North Caucasus and the Volga region.

Q.: What do you think of the elections of governors? At your recent meeting in Yaroslavl you recommended the president not to hold such elections before 1996. Isn't it time for the Duma to legally define the status of the head of a local administration before the president does that by his decree?

A.: That is justified criticism of the Duma. We have drafted such a law and it is deals with the main principles of the organization of government in federation members.

I find it possible to hold simultaneously the elections of the president, parliament, governors, members of regional Dumas, legislative assemblies of the republics and self-government bodies.

Russia is now going through a transitional period which under the constitution should last for two years. We are trying to establish closer relations with federation members, their legislative and executive bodies - we cannot do without that. After two years the Federation Council will be formed of representatives of local legislative and executive bodies.

But the problem is that only 68 out of 89 federation members have legislative bodies. Elections continue and will take place in three months, in half a year or a year depending on the place. Thus a situation might emerge when some of its members will have been in power for three days and others be nearing the end of their term.

The term of a Federation Council member is two years. But what happens afterwards? How should we function without the upper house? All law-making might be blocked. In order to straighten out the situation I suggest simultaneous elections of all executive and legislative from local to federal level, so that the legal mechanism guaranteeing the implementation of the Constitution would be launched.

Everything should e done strictly according to law: either through a referendum or with the help of constitutional amendments. There is also this possibility. I do not speak of the trillions of roubles involved. I am told that one can do without voting at all and the spending will be avoided. But we have already had that. We need elections badly, of course. The havoc we have in legislation is impermissible, everything must be settled.

The State Duma is also partly responsible. But our deputies believed that the legislative assemblies of all the 89 federation members would be elected at the same time with them on December 12, 1993, but they were actually elected only in 68 territories.

Elections were held in 72 regions, but in four, say in St. Petersburg, legislative assemblies were not formed even though much money was spent. That is why I want to say that my pragmatic interest lies in keeping the activeness of voters sufficiently high so that they could come to polling stations with a clear choice and elect those who would decide their future.

I am not the inventor but mouthpiece of the opinion expressed in the provinces. I am told that if the State Duma, local Dumas, the legislative assemblies of republics, the heads of administrations and president were elected simultaneously, the turnout would be very high. In this case we will manage to form all executive and legislative bodies.

I would want to add that during the months of our work we have developed good business and personal relations with the president and government. I think this is very important. When I am asked how to shape relations between the newly elected local government bodies and

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governors, I want to say that there is an order in the navy "Do as I do" and we in Moscow can show an example to the provinces.

As for the question of holding parliamentary elections half a year earlier, half a year later or on the date set by the constitution to avoid the trouble of amending it, all these matters are easily settled with good will. There is a Russian saying "Harmony and accord are treasures". The sooner we realize that, the better for us. Those who have understood it and taken this road, have covered half of it.

Regional Affairs

Dudayev Skeptical About Likelihood of Moscow Talks

LD1310224194 Moscow ITAR-TASS World Service in Russian 2145 GMT 13 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 14 Oct—The president of Chechnya is skeptical about the likelihood of negotiations with Moscow in the near future. In an exclusive ITAR-TASS interview, he continued to insist that "owing to the Russian leadership's aggressive actions" no one in Chechnya at present will permit him to hold such negotiations, even if he agrees to them.

The president of Chechnya considers that Russia's present leaders are interested not in a settlement of relations with the republic but "in preserving political instability in the North Caucasus region, which, if the need arises, can be blamed for Russia's internal problems."

Despite the continuing armed clashes in the republic—according to information passed on to ITAR-TASS, Dudayev supporters and the opposition lost a total of 10 people in a battle in the region of Gekhi on Thursday—the Chechen president asserted that "no Chechen will ever shoot at a Chechen." He puts the already known incidents proving the reverse be the case down to "the insidious and dirty methods used by members of the Russian special services."

Dzhokhar Dudayev said he was compelled to impose martial law in the republic "because of the continuing armed provocations and open hostilities on Russia's part." At the same time, he noted that "in spite of all the efforts to provoke retaliatory actions, no true Chechen will resort to acts of terrorism for political ends."

The Chechen president believes that politicians in Moscow are using Chechnya "not only to try out devices and methods for use in the struggle for power, but also to replenish party funds and fill the pockets of individuals." He claimed in particular that "the 150 billion rubles allocated from the Russian budget for subversive work in Chechnya has mostly ended up in the funds of political parties and in the pockets of those heading Russian power structures."

Khasbulatov Says Dudayev Asks for Islamic Help

LD1310201594 Moscow NTV in Russian 1900 GMT 13 Oct 94

[Konstantin Belyaev video report]

[FBIS Translated Excerpt] A new clash occurred today between supporters and adversaries of Chechen President Dzhokhar Dudayev. [passage omitted]

The command of the opposition said today that from now on all armed mercenaries seen on the territory of Chechnya will be killed on the spot. It appears that the opposition is rather worried about possible help to Dudayev from abroad.

[Konstantin Belyaev] The Chechen opposition, which is banking on Moscow's help in overthrowing Dzhokhar Dudayev's regime, is obviously concerned about the diplomatic efforts of official Groznyy, which is apparently trying to contact certain Islamic states. Ruslam Chimayev, deputy foreign minister of Chechnya, went to Afghanistan where he reportedly discussed possibilities for closer Chechen-Afghan cooperation with Afghan Prime Minister Hekmatyar. Some leaders of the Chechen opposition have information that Dzhokhar Dudayev himself has repeatedly asked other Islamic states for help.

[Ruslan Khasbulatov, to correspondent] I know for a fact that 100 kg of gold were brought into the house in which he works, and he left for somewhere with this gold. Then I was told that he had left for Lebanon. I do not know whether it was to get new mercenaries, or to hide a new portion of hard currency and gold.

[Belyaev] In the meantime, Chechen Vice Prime Minister Khuseyn Firzauli privately visited Turkey and met Mesut Yilmaz, leader of Turkey's main opposition party Motherland. Firzauli made an interesting statement there too. He said that if the Chechen republic moves under the Russian jurisdiction, then Turkey would lose one of its strongholds in the Caucasus.

Khasbulatov Urges Chechens To 'Choose Sides'

LD1310172294 Moscow INTERFAX in English 1215 GMT 13 Oct 94

[FBIS Transcribed Text] Ruslan Khasbulatov, former speaker of the Russian Supreme Soviet and now the leader of the opposition "peace group," called on all Chechens wherever they may be to choose sides in the Chechen conflict.

He said that if they wished to be on the side of the people they will join him. Khasbulatov's address was sent to INTERFAX from the village of Tolstoy-Yurt where the "peace group" is headquartered.

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Armed Clash in Chechnya Kills 5

LD1310162994 Moscow ITAR-TASS World Service in Russian 1516 GMT 13 Oct 94

[By ITAR-TASS]

[FBIS Translated Text] Moscow, 13 Oct—An armed clash between the opposition forces and units supporting Dzhokhar Dudayev occurred today near the village of Gekhi in Chechnya, 12 km from Groznyy.

Ruslan Martagov, head of the press center of the interim council, told ITAR-TASS that at 0630 [local time] about 40 of Dzhokhar Dudayev's troops attacked a position held by the interim council forces near the village of Gekhi in Urus-Martanovskiy Rayon. In a short combat, the group of attackers was dispersed and partially destroyed. Opposition detachments then surrounded and destroyed the remaining subunits of Dudayev's troops. The operation ended by 1200 [local time]. Five people were killed and three were wounded among the interim council troops.

This report by the interim council was denied by official sources in Groznyy. Khamid Khatuyev, head of the CHECHENPRESS information agency, told ITAR-TASS, quoting Chechnya's Interior Ministry and State Security Department, that an exchange of fire had indeed taken place in that area early in the morning and that each side had lost five people in the clash. The authorities in Groznyy deny that the government troops attacked opposition forces near the village of Gekhi, claiming that "it was a local clash, which had nothing to do with the Chechen government troops."

Ruslan Martagov, head of the press center of the interim council, also said that the military leaders of the opposition forces warned that "beginning today, all armed mercenaries discovered on Chechen territory will be destroyed regardless of their involvement in fighting."

Moscow Authorities Boost Guard for Strategic Facilities

LD1410110994 Moscow 2x2 Television in Russian 0730 GMT 14 Oct 94

[FBIS Translated Text] At a closed meeting the Moscow government decided to step up the guarding of some strategic facilities in the capital. Specifically, an appeal was made to the Kurchatov Institute to take urgent measures to prevent theft of nuclear substances from the facility. To step up its guard the Moscow financial department will allocate 4,500 million rubles. In addition, a proposal was made to give 400 automatic guns to the Third Militia Department in charge of guarding hydrofacilities for protecting Moscow water canal facilities.

Deputy Blames VAZ Dispute on Government, Management

MM1410125794 Moscow PRAVDA in Russian 14 Oct 94 p 1

[Interview with State Duma Deputy Yuriy Leonov, chairman of the "Defense" independent trade union, by Feliks Belelyubskiy; date and place not given: "Zhiguli Falters during Economic Bad Times"]

[FBIS Translated Text] It is difficult not to notice an event like the four-day production shutdown at that giant of modern industry, the Volga Auto Plant. Your PRAVDA correspondent put questions to State Duma Deputy Yuriy Loenov, chairman of the "Defense" independent trade union, on his return from the city of Tolyatti.

[Belelyubskiy] How do you see the situation at the Volga Auto Plant?

[Leonov] The crisis at the enterprise is the inevitable result of the course pursued by the government, for which the sphere of circulation rather than production is the priority. The personal qualities of Vladimir Kadannikov, general director of the Volga Auto Plant joint-stock company, who lost control of the situation, also played a considerable role. Therefore one can only be surprised that the labor collective producing Zhiguli cars, which are a competitive product in demand, did not received its wages for August. Managerial structures are undergoing collapse in the country, and this applies to the majority of plants.

[Belelyubskiy] And what is the trade unions' role in such a situation?

[Leonov] The problem is that the collective split. The sector trade union of automobile industry workers, which belongs to the Federation of Independent Trade Unions of Russia, demonstrated utter impotence and inertia. Therefore some workers supported the "Yedinstvo" trade union, which belongs to the Association of Socialist Trade Unions.

[Belelyubskiy] I understand. I had to edit a collective monograph entitled "Strike," which compared the workers movement in different countries. The stoppage of a key section of the assembly line and subsequently of production as a whole was a typical method of U.S. trade union activists at the start of the 20th Century. The Association of Socialist Trade Unions used the same method at Moscow's Lenin Komsomol Auto Plant.

[Leonov] Yes, but in our conditions an assembly line stoppage undertaken by a group of workers in breach of the law and the forced cessation of all of the plant's vast production to the collective's detriment turned into a reckless venture. Forty two people have been dismissed.

[Belelyubskiy] Can such a dismissal be described as a lockout?

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[Leonov] Yes, according to the norms of the ILO, which are officially recognized in Russia, such a mass dismissal is a lockout.

[Belelyubskiy] The seemingly dead terms "lockout," "strike,"... are being revived in our country. Is there a solution?

[Leonov] The strike in Shop 45/3 was carried out contrary to the law. But there were reasons for it. Wages had not been paid out. Kadannikov had violated the civil peace, had not paid out the money, and caused a spontaneous outburst. I have prepared a deputy's question addressed to the plant leadership asking that a compromise be reached, that the dismissed workers be reinstated (since they were not acting on their own initiative), and that the whole social sphere of the enterprise's life be restored to normal. The collective agreement is being systematically breached. New conflicts are inevitable in that case.

Far North's Socioeconomic Situation Described

MM1310133794 Moscow PRAVDA in Russian 13 Oct 94 pp 1, 2

[Report by Ivan Sharov: "Alitet Would Leave for the Mountains. The 'Northern Drama' Becomes a Tragedy"]

[FBIS Translated Text] A very grave socioeconomic situation in all regions, which has attained the dimensions of a disaster in some population centers—this is the real present-day picture in the North. In the settlement of Atka in Magadan Oblast the electricity supply has been cut off, communications have been disrupted for thousands of kilometers, and the hospital, kindergarten, and school have been closed. The settlement's population of 1,500 people does not have bread, water, or heat. With the temperature at minus 10 degrees, there is an impending threat that the heating and water supply system will freeze solid.

Sinegorye, the hydraulic engineers' settlement, is without coal stocks, people's wages have not been paid for six months, there is nothing with which to buy even bread, and the price of a loaf of bread in a commercial store reaches 3,000 rubles [R]. In connection with the liquidation of Iultin Mining and Enriching Combine and the closing down of the settlement of Iultin beyond the Arctic Circle it is necessary to urgently resolve the question of moving people out and compensating them for the years worked in the north and for the housing that is being given up. The funds for this do not exist in the local authorities' budget, and the cost of sending a container for belongings and of air tickets amounts to 1.5 times a working person's annual income.

The workers of Norilsk Mining and Smelting Combine are extremely indignant at the three-month delay in paying wages and the impossibility of going away on leave and sending their children on vacation to the "mainland." What are, at present, local strikes and hunger strikes have started at the combine, but they are threatening to escalate into mass disobedience.

Unemployment is extremely high among the indigenous peoples of the north. The average wage of working people employed in traditional folk industries is extremely low: For reindeer herders it is R78,000, while it is even less in national enterprises for the production of leather and fur goods. There is nothing with which to pay for children's food in preschool establishments and schools, while the subsidy from the budget of Sakhalin Oblast rayons for the feeding of children was stopped in July.

The reason for the exacerbation of the socioeconomic situation is that the regions' funding is lagging behind the schedule set by the Federal Law on the Budget for 1994, with the consequence that the deadlines for bringing in products are not met.

As of 1 October 1994, the pace of freight imports had not accelerated and amounted, on average, to 2-4 percent of the overall need per week. Imports of dry freight totaled 154.1 million tonnes—45 percent of the amount needed in 1994. The figure for the rayons of East Chukotka is 200.7 million tonnes—78 percent. Total imports of bulk oil freight into rayons of the Far North amounted to 250.3 million tonnes—40 percent of the required quantity; 74 million tonnes into the rayons of East Chukotka—48 percent. Where is Alitet to go?

The situation in the north is becoming not just threatening. It is dangerously explosive and unpredictable. PRAVDA has received a statement from the "New Regional Policy" deputies' group. It states that the dire situations with regard to product deliveries to the Far North have assumed a chronic nature. Chaos, confusion, and irresponsibility still reign here, with the result that the real threat of a "northern drama" fraught with very unpredictable economic and social consequences for Russia arises annually.

Of the R5.5 trillion provided for in the budget, the Ministry of Finance has allocated only R4.2 trillion, warning that it cannot allocate more. The Ministry of Finance has virtually ignored the law adopted by the State Duma on the transfer from the federal budget before 15 July of 75 percent of the total appropriations envisaged for ensuring northern imports. There are also frequent instances where the funds allocated are not used for the proper purpose.

The government must resolve without delay the whole package of questions connected with ensuring northern imports. Personal proceedings must be instituted against the leaders of the Ministry of Finance and the Ministry

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of Nationalities Affairs and Regional Policy who failed to take the necessary measures to resolve an important statewide task in good time.

Yes, the north of Russia has essentially been left without a master. There is still no organ which would professionally and responsibly tackle the problems of the Far North. Neither the former State Committee for the Social and Economic Development of the North nor the present State Committee for Nationalities Policy is in a position to cope with them. They do not freeze or starve in the capital.

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International Affairs

Kuchma Telephones Clinton, Seeks Financial Aid

LD1310203794 Kiev UT-1 Television Network in Ukrainian 1900 GMT 13 Oct 94

[FBIS Translated Text] President Leonid Kuchma and U.S. President Bill Clinton had a telephone conversation today. A Novyny TV and radio correspondent reported that Leonid Kuchma said Ukraine has embarked on the road of economic reforms and there is no alternative to this road. The president of Ukraine said Kiev needs $1 billion by the end of the year to pay for critical imports, expecially power sources. There are hopes for credits from the International Monetary Fund and for positive decisions by the meeting of the Group of 7 representatives in Washington.

President Bill Clinton said the United States of America is working on accelerating financial aid to Ukraine in various ways and expressed support for the Ukrainian president's stand on the implementation of the economic reforms and his speech at Ukraine's Supreme Council session.

Moroz Reads Statement to CIS; Rejected by Deputies

LD1310120194

[FBIS Editorial Report] Kiev Radio Ukraine World Service in Ukrainian at 0930 GMT on 13 October, during a live relay of a Supreme Council session attended by 329 deputies, carries a statement from the Supreme Council to the parliamentarians of CIS countries. The statement is read by Chairman Oleksandr Moroz, who says:

"Esteemed colleagues: We turn to you with a feeling of deep alarm for the fate of our progress in all spheres of life of our [CIS] countries. The problems faced by our peoples have much in common. The experience of past years convinces us that we can embark on the road of progressive development in a more dynamic way, successfully complete the reforms in the entire system of socioeconomic relations, create the conditions for safeguarding a standard of living worthy of individuals, and build independent democratic states if we combine our efforts, and remove the artificially created impediments in order to coordinate production activity, the exchange of goods, and the free movement of capital and spiritual contacts between peoples.

"It is our conviction that the commonwealth of efficiently functioning states that enjoy equal rights, the mutually advantageous integration of their economies, the expansion of the market, the improvement in the functioning of the energy and transport system, the development of space travel and other spheres of cooperation, are in the interests of all our peoples.

"The safeguarding of a coordinated mutual action by our countries in the sphere of foreign economic policy, the strengthening of their defense capacity, the protection of human rights, and counteracting manifestations of great-power chauvinism, national extremism, and separatism are an urgent need. It is extremely important not to allow the destruction of the information space which has already been achieved and develop in every way fruitful contacts that were forged between our states in the sphere of science, education, and culture. We are convinced that all this will promote the strengthening of the statehood of every one of our sovereign countries, raise their international authority as members of the world community, the flourishing of our peoples, and safeguard the generally recognized rights and freedoms of citizens.

"We must jointly and with more harmony care about the territorial integrity and the inviolability of our states and jointly overcome global catastrophies similar to the Chernobyl tragedy.

"We will soon celebrate the 50th anniversary of the glorious victory of the Soviet people in the Great Patriotic War. All peoples saved the world from the fascist plague. Sons and daughters of all nations of the former Soviet Union died and spilled blood for the liberation of Ukraine. We bow our heads to the defenders of the fatherland, will speak well of the memory of those who died, and will do everything possible to at least ease the bitter old age of the soldiers of the Great Patriotic War.

"The common fate, the age-long history, decades of joint work and the heroic struggle against common enemies are guarantors of the successful unification of our efforts. We envisage that the lofty vocation of parliamentarians is to promote in every way the unification of efforts to discuss these tasks and deepen equal and mutually advantageous cooperation of our countries.

"The Supreme Council of Ukraine."

After a brief discussion, Moroz puts the statement to a vote. It is voted down. Moroz then asks the deputies to vote on the resolution of the text in principle. It is adopted, in principle, by 202 votes.

Finland's Foreign Minister Begins Official Visit

LD1310183794 Kiev UNIAR in Ukrainian 1305 GMT 13 Oct 94

[FBIS Translated Text] Kiev, 13 Oct—The official visit to Ukraine by Finnish Foreign Minister Heikki Haavisto has got under way. At Boryspil Airport he was welcomed by Ukraine's Foreign Minister Hennadiy Udovenko, Finland's ambassador to Ukraine Erik Ulfstedt, and other officials.

"We have much in common, both in the political and economic fields," Mr. Haavisto pointed out. "Besides, there are all-European issues to be discussed during the visit. At the beginning of 1995 Finland will become a member of the European Union and relations between our countries will reach a qualitatively new level. During

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the meetings with the leaders of the Ukrainian state we will discuss ways of helping Ukraine in the best way possible to integrate into European structures and ways along which European countries can consolidate security in this region."

During his stay in Ukraine, the Finnish foreign minister will meet the president of Ukraine, the Supreme Council chairman, and the Ukrainian foreign minister. It is planned to sign a Ukrainian-Finnish agreement.

Urges Ukraine's NPT Accession

LD1310201394 Kiev UNIAN in Ukrainian 1835 GMT 13 Oct 94

[FBIS Translated Text] Kiev—On 13 October, Oleksandr Moroz, chairman of the Supreme Council of Ukraine, met Finland's Foreign Minister Heikki Johannes Haavisto, and made the following assessment of Ukrainian President Leonid Kuchma's parliamentary address of 11 October: "Approximately 70 percent of the provisions in the address are almost identical to those of 'The Fundamentals of Economic Reform' set forth by myself at the Supreme Council on 15 July of this year, with 20 percent being made up of inessential differences and 10 percent not being in line with each other at all and in need of coordination, which must be done at the parliamentary session next Wednesday, 19 October. I expect a debate on the rate of privatization."

Oleksandr Moroz regards both himself and the president as supporters of market reforms for the benefit of the state.

While Heikki Haavisto urged Ukraine's soonest possible accession to the Non-Proliferation Treaty, Oleksandr Moroz said that accession to that treaty is a matter of time but real steps toward it should take the form of nuclear club guarantees for Ukraine and economic compensation. Oleksandr Moroz believes that all these considerations can be reflected in a joint memorandum at the next CSCE conference in Budapest in December.

Moroz Links Joining NPT to Financial Aid

LD1310211694 Moscow INTERFAX in English 2006 GMT 13 Oct 94

[FBIS Transcribed Text] Nuclear states could sign a Memorandum on security guarantees for Ukraine this December in Budapest at the meeting of the heads of the CSCE, Chairman of Ukraine's Supreme Soviet Oleksandr Moroz declared at a meeting with the Finnish Foreign Minister Heikki Haavisto in Kiev Thursday.

In his opinion, this document should contain concrete compensation funds for Ukraine to liquidate nuclear weapons along with a certain amount of financial aid for Ukraine.

"Under these provisions we could make concrete moves to join the NPT [Nuclear Proliferation Treaty] Treaty," Moroz said.

Moroz informed the Finnish delegation on his attitude towards the reforms programme of Ukrainian President Leonid Kuchma. "It in general corresponds to my proposals set forth in June 1994," he noted.

In particular, Moroz said that as much as 70 percent of Kuchma's programme corresponds to his proposals, 20 percent has slight contradictions, and 10 percent does not coincide "on several aspects." Among these aspects he mentioned "the determination of the privatization rate and inter-relations between power ministries."

Moroz, Haavisto Discuss Bilateral Issues

LD1410102094 Moscow ITAR-TASS in English 0933 GMT 14 Oct 94

[By UKRINFORM correspondent Alexey Petrunya—for TASS]

[FBIS Transcribed Text] Kiev October 14 TASS—"Finland set an example in the way of dealing with economic and social problems. Ukraine should study Finnish experience. Parliamentarians and business people of the two countries should be constantly in touch". Ukrainian parliamentary speaker Oleksandr Moroz said this on Thursday during a meeting with Finnish Foreign Minister Heikki Haavisto.

The parliamentary speaker said Ukraine is interested in Finnish investment and "the one who comes first will have the biggest adventures".

The Finnish minister went along with Oleksandr Moroz's idea of the strengthening of interparliamentary ties. "We believe that Ukraine is a country that is important especially for the stabilisation in Europe", Haavisto said. He stressed that there are many opportunities for the development of political and economic relations. "As regards the economy, the potentials of our countries are not always used", Haavisto said.

Protocol With Germany To Liquidate Strategic Missile Silos

LD1310165094 Kiev UNIAN in Ukrainian 1310 GMT 13 Oct 94

[FBIS Translated Text] Kiev—On 13 October the German Foreign Ministry and Ukraine's Defense Ministry signed a protocol on the liquidation of silos within the context of the framework agreement on cooperation in nuclear disarmament, concluded on 10 June 1993 during the visit to Kiev by German Chancellor Helmut Kohl.

Colonel Oleksandr Serdyuk, chief of the Strategic Nuclear Forces Directorate at the Defense Ministry of Ukraine, who signed the document on the Ukrainian side, pointed out in an interview with UNIAN that in compliance with the protocol the German side will provide the required equipment for the liquidation of silos beginning in October. He said that, possibly this year, the silos located near populated areas will be

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subject to liquidation and will be carried out with the use of special cutting methods which will pose no danger to the people and to the environment. Colonel Oleksandr Serdyuk said the work on the liquidation of silos will get under way immediately after a relevant decision is made by the Ukrainian Government. Within three months following the adoption of the decision, a timetable for the liquidation of silos will be drawn up, in compliance with START I.

According to Alexander Arnot, German ambassador to Ukraine, who signed the protocol on the German side, Germany will cover the cost of the equipment. The German side considers this project to be a beginning of cooperation in nuclear disarmament and specific support to Ukraine in fulfilling its obligations within START I and the Lisbon Protocol.

National Affairs

Crimean MP's Approve Candidates, Ministers

LD1310192294 Kiev UNIAN in Ukrainian 1620 GMT 13 Oct 94

[FBIS Translated Text] Simferopol [no dateline as received]—Only one issue was considered at a plenary session of the Crimean Supreme Council session on 13 October—the formation of the government.

Crimean Prime Minister Anatoliy Franchuk nominated the following candidates to the posts of deputy premiers of the government: Andriy Senchenko (economy and reforms), Fedir Snyehiryov (agriculture), Arkadiy Demydenko (national economy), Ihor Ivanenko (social issues), and Ilmi Umerov. Since the candidacy of the deputy prime ministers was considered at the sessions of the standing commissions, the deputies made a decision not to discuss them and approved the whole list.

Also, the deputies approved the appointment of seven ministers and 14 chairmen of the state committees of the government of Crimea. The posts of minister of health and minister of agriculture and food remained vacant.

Representatives of the deputy group "Russia-Unity" left the session hall during the vote as a sign of protest. People's Deputy Leonid Hrach, first secretary of the Communist Party of Crimea, gave a press statement in which he described as negative the procedure for approving the government members and said he would initiate an all-Crimea referendum to vote no-confidence in the Supreme Council of Crimea.

Having approved the appointment of the government, the Supreme Council of Crimea breaks until next week.

Andriy Vilenovych Senchenko, born in 1955 in Simferopol, is an engineer by profession. From 1986 till 1990 he was secretary of the Kievskiy Rayon Committee of the Young Communist League of Ukraine [LKSMU] in the city of Simferopol, secretary of the Simferopol Oblast Committee of LKSMU, second secretary of the Crimean Oblast Committee of LKSMU. From 1990 till 1993 he was chairman of the Committee for Youth Affairs at the Crimean Oblast Executive Committee and the Council of Ministers of Crimea. From 1993 till March 1994 he was deputy chairman of the Council of Ministers of Crimea.

Arkadiy Fedorovych Demydenko, born in 1950 in Kiev Oblast, is a railway engineer by profession. From 1982 till 1986 he was on the staff of the Zaliznychnyy Rayon Committee of the Communist Party of Ukraine in the city of Simferopol, head of the Department of Industry and Transport at the Simferopol City Committee of the Communist Party of Ukraine. From 1986 he has been chairman of the Executive Committee of the Zaliznychnyy Rayon Council of People's Deputies.

Fedir Dedorovych Snyehiryov, born in 1947 in Kursk Oblast, is a veterinary surgeon by profession. From 1987 till 1994 he was chief of the Saki Rayon Board of Agriculture. He is people's deputy to the Supreme Council of Crimea.

Ihor Vasylyovych Ivanenko, born in 1946 in the city of Almaty, is an engineer by profession. From 1985 till 1993 he was deputy chairman and then chairman of the executive Committee of the City of Simferopol. From 1993 till 1994 he was deputy chairman of the Simferopol City Council of People's deputies.

Ilmi Rustemovych Umerov, born in 1957 in the Uzbek SSR, is a medical doctor by profession. Since 1990 he has been engaged in political activities. He has been head of the Bakhchisaray Majlis. He is people's deputy to the Supreme Council of Crimea, elected in the Krymskotatarskiy multiseat constituency.

Meshkov Favors Confidence Vote on Crimean Parliament

LD1310224094 Kiev UNIAR in Ukrainian 2215 GMT 13 Oct 94

[FBIS Translated Text] Kiev, 13 Oct—Yuriy Meshkov, president of the Republic of Crimea, supports the initiative to hold an all-Crimea referendum on confidence (no-confidence) in the Supreme Council of the Republic of Crimea. He said he intends to implement his decree on approving a new constitution of Crimea by means of an all-Crimea referendum.

As is known, the leadership of Crimea is obliged by the resolution of the Supreme Council of Ukraine to bring the legislation of the Republic of Crimea into line with the Constitution of Ukraine by 1 November 1994.

Government To Tackle Economic Crisis Using IMF Model

LD1310195094 Kiev UNIAN in Ukrainian 1245 GMT 13 Oct 94

[FBIS Translated Text] Kiev—At a 12 October news conference given by leaders of the working groups that

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dealt with the Ukrainian Government's macroeconomic stabilization program, it was announced that, under the program, a reduction would be made in the state budget deficit by the end of this year, bringing it down to 106-107 trillion karbovantsi, that is, 10 percent of the GDP and five percent of the GDP by the end of 1995.

Deputy Economy Minister Volodymyr Naumenko said the memorandum on economic reform policy in Ukraine between its government and the International Monetary Fund, which serves as a basis for an IMF stabilization loan to be extended to Ukraine, was based on this program.

He added that gradual price liberalization meant a 30 percent increase by the end of this year in the proportion of prices not subject to state regulation and their virtually full liberalization in the first quarter of next year.

In particular, domestic market prices for bread and coal will be freed, the price of electricity for the population will rise to compensate for at least 40 percent of its cost, and prices of housing and communal services will go up considerably beginning 1 January 1995.

Commenting on these steps, Oleksandr Yaremenko, Ministry of Economy department head, said that in the next few days the government would announce a package of eight resolutions tackling the issue of the population's social security under conditions of price liberalization. In his words, the documents will make provisions for some fundamentally new approaches, such as raising not minimum wages but primarily the wages of employees in the budget-financed sector at the bottom end of the wage rates scale, which means that assistance will be targeted at those least provided for. Pay at state enterprises would be made subject to regulation so that it would rise by no more than 0.8 percent per one percentage point of inflation.

Commenting on other tough measures under the program, such as harsh budgetary restrictions, the unification of the foreign currency exchange rate which the Ministry of Economy forecasts will reach 110,000 karbovantsi to the dollar by the end of the year, the liberalization of domestic and foreign trade, and speedy privatization, Volodymyr Naumenko described them as "the Ukrainian economy's requirements to the government, rather than those of the IMF to the government."

He added that the government succeeded in reaching "full understanding" with the IMF and softening a number of the conditions. Agreement was reached, in particular, on gradually abolishing the regulation of prices for natural or some artificial monopolies and ensuring the possibility of nontariff import regulation at the first stage of reform.

Cabinet Orders Foreign Trade Debt Repayment

LD1310183194 Kiev UNIAN in Ukrainian 0945 GMT 13 Oct 94

[FBIS Translated Text] Kiev—UNIAN has learned that Ukraine's Cabinet of Ministers passed a resolution ordering the immediate repayment of a $36 million debt by the state foreign trade organizations "Ukrbarimeks" and "SlavutychStal" [Slavutych Steel], which failed to deliver metal products in full to foreign firms in exchange for the raw materials supplied. On government instructions in 1992-93 the two organizations were engaged in foreign trade goods exchange operations to purchase magnesite, bauxite, fluorite, and coking coal to be supplied to metallurgical enterprises.

To prevent similar situations impairing Ukraine's international prestige, Anatoliy Hulyayev, director general of the state foreign trade organization "SlavutychStal," and Mykola Nenko, director of the state foreign trade organization "Ukrbarimeks," were disciplined for failure to organize satisfactorily the performance of the contracts made. They and Industry Minister Anatoliy Holubchenko were warned that if the contracts made were not fulfilled, the organizations would be stripped of the right to engage in foreign economic activity.

Under the resolution, repayment of the debt is to be made by the enterprises that form part of the concern "Ukrvohnetryv" [Ukraine Refractory Materials] and the association "Ukrkoks" [Ukraine Coking Coal], by raising domestic market prices for refractory materials and coking coal products without changing prices for end metal products.

Interior Minister Reviews Battle With Crime

WS1410103094 Kiev URYADOVYY KURYER in Ukrainian 6 Oct 94 p 3

[Interview with Interior Minister Volodymyr Radchenko by Oleksandr Bittner; place and date not given: "The Force of Law Against the Law of Force"]

[FBIS Translated Text] **As everyone knows, new Ukrainian President Leonid Kuchma inaugurated his work by issuing the edict "On urgent measures for intensifying the battle against crime." One must admit that this is currently an extremely serious issue. Even those who did not hesitate to term the document "propaganda" (by the way, why are they denying the politician the right to use important social problems to achieve his goals?) have no doubts that the situation is difficult. The atmosphere of irresponsibility, widespread in the echelons of power, the activities of half-criminal and openly criminal clans and groupings, and bribery and corruption, which have become attributes of many institutions, are hindering attempts to normalize social life and are hampering reforms.**

Over two months have passed since the edict was issued. In our opinion, a time has come to draw first, albeit few, conclusions. What have these months meant to law enforcement bodies? Have the troops come out of their trenches, about which the president was speaking in his first appearances? Finally, is Leonid Danylovych [Kuchma] not exaggerating the threat of organized crime? Lieutenant General Volodymyr Radchenko, Ukraine's minister of internal affairs, is responding to these and other questions.

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[Radchenko] The crime-breeding situation in our country has deteriorated so badly that it has become clear that certain cardinal measures are required. In my opinion, the presidential edict became a sort of a detonator for stepping up a counteraction against organized crime and for the long-awaited passage from words to action.

We have to simultaneously perform several tasks. On the one hand, the presidential edict, which we received with all the responsibility, requires that we concentrate all our efforts on decisively uprooting negative phenomena which have infiltrated many spheres of our social life. On the other hand, we need to actively reform the very structure of the Ministry of Internal Affairs, because without this, there cannot be talk about improving the efficiency of our units' work. Moreover, there is an urgency to clean up ranks of those whose names I do not even want to reveal to my colleagues—traitors, bribers, and others, who have soiled their hands and conscience. We therefore have some difficulties and complications. The course we have set, however, is reliable, and my colleagues are supporting me in this regard. We must bring it to its logical end.

After the presidential edict was issued, we began, as we term it, practical work on the entire territory of our country. We have conducted 14 large-scale operational-preventive operations in August and September, including those under such code names as "Verkhovyna," "Zaslin-94," "Vokzal," "Pasazhyr," "Mak-94," or "Vybukhivka." The "Vyruchka," "Valyuta," and "Urozhay" long-term operations are still under way. We are also planning to conduct the "Oktan" operation, aimed at uncovering embezzlements concerning fuels and lubricants, and the "Vibrion" operation connected with cholera cases.

During these operations, we have held inspections at more than 31,000 dormitories, and in almost 14,000 hotels and 15,000 railroad stations, markets, and ports. We have drawn up 231,700 administrative reports regarding offenders, and another 129,200 infringers of the law have been detained by the militia. Since the edict was put into force, the militia has revealed 42,319 crimes, including 327 robberies, 297 thefts of state or collective property on a particularly large scale, and over 9,000 other grave crimes. Special control has been imposed on over 2,500 crime-ridden populated areas. A heightened regime of service has been introduced in 463 units of the Interior Ministry Troops.

Under the leadership of the Interior Ministry's operational services, we have organized a whole range of measures aimed at localizing criminal groupings. During 2,630 special operations, we have put out of action 4,302 such groups, 780 of which were organized and 140 armed, while 206 had interregional and almost 100 international connections. They comprised over 11,000 people. Preventive detention ranging from 10 to 30 days has been applied to 1,680 criminals.

Law enforcement bodies are intensifying their efforts aimed at discovering businessmen from the shadow economy. Since the edict was issued, 8,500 economic crimes have been documented, which represents 25 percent of all such crimes revealed this year. In particular, we have revealed 380 crimes concerning our financial credit and banking systems, 116 in the area of foreign economic activities, and 2,885 in trade.

We are continuing to take measures aimed at detecting and checking violations of the rules concerning hard currency operations. Sine 21 July, we have revealed 2,138 such cases. Hard currency totaling $150,700 has been seized with the offenders. For example, an organized criminal group has been uncovered in Ivano-Frankovsk Oblast, which comprised local residents, including the "Olvis" company director, a student of the commercial technical college, two unemployed people, and other citizens (all in all, 10 people), who sold 3 million forged Russian rubles in 10,000-ruble bills in the oblast this year. Three hundred and forty thousand false rubles were seized with the criminals.

We are also taking measures aimed at protecting new crops. We have already revealed 2,900 crimes due to greed [koryslyvyy zlochyn] related to appropriation of agricultural products, including 1,470 cases of larceny of grain, 936 of vegetables and fruit, and 347 of fuels and lubricants. Over 14,100 petty larcenies of agricultural products have been prevented. We have seized 685,500 tonnes of grain and 131,800 tonnes of fuels and lubricants with the offenders, and we have returned them to the state.

Along with customs officers and border troops, the Ukrainian Interior Ministry is taking measures aimed at preventing illegal transfer of goods abroad. Since 21 July, we have prevented 1,608 attempts to ship outside our borders goods totaling 31 billion karbovantsi, including 175 tonnes of grain, almost 37,000 liters of ethyl alcohol, and 7.2 tonnes of cream butter.

To restore law and order in the streets and public places all over the state, we are continuing to take operational-preventive measures. We have revealed and registered 16,700 people who require constant control by the militia. Over 1,200 chronic alcoholics and drug addicts have been sent for compulsory treatment at medical and labor treatment centers.

We attach special attention to restoring order at railroad stations and ports, where we have detained 7,000 vagrants and citizens without permanent residence, including 1,950 people in Kiev. The "Mak-94" large-scale operation is still continuing. Two weeks ago, we discovered 273 cases of illegal drug trafficking. Almost 9 tonnes of unprocessed drugs were seized with narcobusinessmen. Investigators are currently working on 3,248 cases belonging to this category.

Since the edict was put into force, we have discovered 22,000 foreigners who committed crimes, 21,081 of

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whom have been brought to administrative account, and 602 of whom have been expelled outside Ukraine's borders.

The Interior Ministry is intensifying control over the work of subordinated bodies and Interior Troops subunits aimed at revealing illegal arms. Since the edict was issued, we have seized 2,034 pieces of firearms, including 245 pieces seized with members of organized criminal groups. We have opened 602 criminal cases regarding crimes involving illegal circulation of weapons and ammunition.

Forgive me this huge amount of figures, but I simply want to provide the initial data concerning our work aimed at implementing the presidential edict. Whether we have come out of trenches, let the readers judge for themselves.

[Bittner] **Volodymyr Ivanovych, you have said that you currently have to resolve many difficult problems inside your department as well. In this regard, I have two questions. First, how is the state program for the battle against crime financed, and second, how is the reform of the militia proceeding? In his speech at the Interior Ministry Collegium in July, the president noted that as few as 20 percent of militiamen are dealing with operational-investigative work...**

[Radchenko] I can say that the state is helping us in all possible ways, especially now that leaders of certain economic structures have been replaced. However, we sometimes do not have enough money even for the most essential things. The primary problem is that our people are extremely inefficiently paid. Performing such work as ours, it is even hard to think how to feed one's family.

For example, when we prohibited the "Berkut" units from dealing with anything other than the battle against crime, people began to leave this service. It proved that many of them had other part-time jobs, and it was considered a normal thing. They actually worked as guards in various organizations, as well as bodyguards to crooks. We have done everything possible to improve their situation—we have affiliated them to the Main Directorate for Combating Organized Crime. They are now earning a little more money and receiving benefits according to the length of their service. This has not resolved the problem, however.... Seniority benefits should currently increase by 300 or 400 percent, though we understand that the state does not have this money....

[Bittner] **What about the 50 percent of seized or confiscated property that is supposed to be spent on the needs of law enforcers?**

[Radchenko] This, of course, could be a noticeable relief, but not everything is so simple. There is no mechanism for using these funds so far. For example, we are seizing cultural or historical national treasures, or drugs.... Should we sell them and distribute the money? We are advocating the idea that these funds should be concentrated in one pair of hands, most likely, at our coordinating committee, and that they should be spent on technical equipment, proportionally to the tasks with which our services are entrusted.

Let us now talk about reorganization. Its main goal is to regroup all our forces and means to the main directions of the battle against evil in the state. In particular, we have managed to reinforce subunits for combating organized crime, criminal investigation offices, the State Service for Combating Economic Crimes, and certain other units, at the expense of auxiliary services and workers who do not perform operational work. We have reformed our six main directorates and reduced offices of 18 generals.

Every candidate for chief of an oblast or city internal affairs directorate is now interviewed by the president, and chiefs of even the remotest rayon directorates—by the minister and our collegium members. Several oblast internal affair directorate chiefs have been relieved of their duties, and we have appointed young and energetic people to these posts. We will stick to the following principle: Militia in one oblast can only be headed by a man from another oblast, even though this has provoked a negative reaction on the part of certain oblast council chairmen.

[Bittner] **A corrupt man in power is more dangerous than a criminal. There is an opinion that certain law enforcers are under influence of the "fifth power." How is the battle with such "law protectors" proceeding?**

[Radchenko] Despite our difficult personnel situation, we are, and will be decisively fighting with bribery and other crimes within the Interior Ministry. A significant role in this work is played by the Internal Security Service, which is currently being withdrawn from the subordination to oblast directorates, and it will now report only to the center.

We have revealed 324 violations of the law among the militia personnel over the last two months. Criminal charges have been brought against 42 offenders, in two cases for abuse of authority, in six cases for exceeding their powers, and in 10 cases for bribery.

[Bittner] **Volodymyr Ivanovych, the edict also stipulates that ministers and leaders of other central state executive bodies, enterprises, institutions, and organizations of all forms of ownership must keep order in the area of registering and protecting material values, weapons, ammunition, and drugs. If this happened, the militia would have less work to do. What can you say about executing the edict by other organizations, not law enforcement bodies? Has everyone in the state taken to heart the concern over law and order?**

[Radchenko] Unfortunately, no. We have had to send to Prime Minister Vitaliy Masol several applications

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requesting that chiefs of various institutions and organizations be brought to account. Particularly alarming is the fact that, despite all measures taken, there are still cases of stealing weapons from military subunits. We have held an inquiry into this issue based on the materials from the last two weeks alone.

I would also like to touch upon another aspect in this issue. Young people are more and more often committing violent crimes. Racketeering and other "mature" forms of crime are already widespread in schools, not to mention technical and vocational schools. We all know names of well-known mobsters, but we are apparently not aware of the fact that an entire generation is growing up, which in 14 or 15 years may commit the most terrifying crimes. This is not only a consequence of our economic difficulties. We do not educate our young generation. Of course, given our multiparty system, one ideology cannot prevail, but there is neither an ideology of patriotism nor the ideology of the Ten Commandments of the Holy Bible. Very soon we may have a social layer, which will be very difficult to handle. These problems relate to all of us.

[Bittner] **Everyone agrees that the militia must improve its professional level. I would like to hear your opinion on this issue.**

[Radchenko] Unfortunately, a majority of talented graduates of judicial colleges does not look for employment with the militia, but with commercial organizations. It is understandable, since the latter's wages are 20 times higher than ours. There are also many grievances against those who are coming to work with us, primarily concerning their operational qualities, however, a lack of legal training is also apparent.

I believe that we should not have small schools and colleges, but a few educational institutions with a strong educational basis and scientific potential. By the way, we are planning to attest all our schools. In general, I have a dream—to establish an institute for training and retraining militiamen, which would prepare true professionals at the world level.

[Bittner] **Our society has quite equivocally received the law on preventive detention of individuals. How many people have been taken into custody by virtue of this law, and how many of them have been released?**

[Radchenko] A 30-day preventive detention has been applied with regard to 1,680 people. Seventy one people have been released, even though criminal charges have been brought against many of them. We have simply softened preventive measures.

Detention of an individual for a 30-day period I understand in the following way: There is an operational-investigative case with strong evidence that an individual has really committed a crime. Otherwise, if a case has not been investigated completely, such a detention is a serious violation of the current legislation. By the way, we have severely punished those who were guilty of similar violations, and to the contrary, we "have spurred on" others to more efficient use of preventive detention. This is quite a sharp-edged weapon, and one must use it skillfully and carefully.

[Bittner] **Volodymyr Ivanovych, the edicts appointing you as acting minister, and later as minister, appeared at the same time as the edict "On urgent measures for intensifying the battle against crime." What have these two months personally meant to you?**

[Radchenko] The new appointment came as a total surprise to me. Although I never wanted power, I had a civil duty, and I divided my responsibilities with the president, who appointed me, and the Supreme Council, which approved my candidacy to this office.

Of course, it is not easy for me, but I am finding support from various structures and organizations. I particularly appreciate the support from our operational personnel, since I have always been, and remain an operational worker. I would like to say one thing: If I see that I no longer can cope or control something important, I will immediately resign. Everybody must perform their job as best they can.

[Bittner] **Thank you for the conversation, and I wish you success.**

[Radchenko] Thank you.

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Belarus

Lukashenka Economic Anticrisis Proposals Reported

LD1310211394 Moscow INTERFAX in English 2022 GMT 13 Oct 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Alyaksandr Lukashenka sent proposals Thursday to parliament aimed at implementing his anti-crisis program that had been approved by the Supreme Soviet last week. INTERFAX Note: Parliament rejected Lukashenka's request to empower him to change the existing legislation by decree. The Supreme Soviet agreed that the legislation might need amendments on a short notice and decided to work as a permanent body, spending one week in plenary sessions and the two subsequent weeks in committees and commissions. It is expected to work like this until next spring when its term expires.

Lukashenka submitted a total of 25 proposals. In particular, he wants the rent to cover 35 percent of the upkeep costs in October 1994 and 40 percent by 1 January 1955 (INTERFAX Note: Now as little as 10 percent of these costs are covered).

He insisted that the domestic prices of imported oil and gas should cover the import costs while subsidies of gas and electricity should be lifted.

Lukashenka asked the Supreme Soviet to amend before 20 October the national budget with its deficit in 1994 kept at 535 billion rubles while banks would provide 340 billion rubles.

Lukashenka insisted on amending the bank and banking activities legislation by making the monthly interest rate equal to 20 percent, refinancing the banks by the National Bank of Belarus through actions at a rate at least equal to 20 percent, making unitary reserve requirements to all banks and kinds of deposits at a rate of 5.5 percent starting with October 1994, starting the crediting of all businesses at market rates starting with 25 October, increasing the penalties for non-payment of budget revenues to double National Bank's rate and introduction of a new methodology and manuals of book-keeping for banks.

The president also wanted parliament to amend and expand the provisional currency regulations by requiring the businesses to pay up to 50 percent of their hard currency export earnings.

Lukashenka also asked parliament to adopt before 20 October a resolution on wages under which they would increase by 75 percent of inflation in October-December while the minimal wage would be 17,000 rubles.

He called on the Supreme Soviet to enable the Hard Currency Fund of the National Bank of Belarus to concentrate all hard currency reserves of the state and to extend the currency regulations to soft currency; to cancel the 15 percent hard currency rental; to introduce auctions and tenders in foreign trade; take steps to enable the exporters to have reliable marketing and pricing information; to determine the procedures of barter deals and to proivide incentives for purchases of socially important goods such as medicinal drugs, children's food, grain, sugar and vegetable oil.

Another step Lukashenka wanted parliament to take is to grant a respite from punishment for illegal opening of deposits abroad and transactions with them to those businesses which would transfer the money kept on them to Belarus before 31 March 1955 or obtain licenses from the National Bank of Belarus for opening such deposits.

Lukashenka wanted a deferment until 1 October 1955 of repayment of easy budgetary loans for the spring sowing, accumulation of animal food and harvesting.

Lukashenka 'Insists' on Housing Maintenance Costs Law

LD1310202694 Moscow INTERFAX in English 1952 GMT 13 Oct 94

[FBIS Transcribed Text] Belarussian [Belarusian] President Alyaksandr Lukashenka insists on passing a law which will mean 35 percent of this month's housing maintenance costs being covered by rent, rising to 40 percent by 1 January 1995. (At present only 10 percent of the costs are covered—IF note).

This proposal was contained in a presidential anti-crisis package Lukashenka submitted for consideration by the Republic's Parliament Thursday [13 October].

Lukashenka says it is necessary to set oil and gas prices that will cover the import costs of these products.

Lukashenka proposed the budget deficit in 1994 be kept below 535 billion rubles and be financed by 340 billion rubles. He insisted on setting the monthly interbank credit rate at 20 percent to shift to commercially set rates on 25 October. He also proposed enterprises should be under an obligation to sell 50 percent of their hard currency earnings.

In addition, Lukashenka believes it necessary to ensure people's wages rise by 75 percent of the inflation rate.

Lukashenka also demanded all commercial agents who remit their assets to Belarus before 31 March 1995 be freed from responsibility for illegally opening accounts abroad.

Legislator Warns Against Army Budget Cuts

WS1310151594 Minsk VO SLAVU RODINY in Russian 7 Oct 94 p 1

[Article by L. Pryvalaw, deputy chairman of the Supreme Soviet commission for issues of national security, defense, and combating crime: "The Army on a Hungry Ration?"]

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[FBIS Translated Text] The financial situation in our Republic, as everybody knows, is extremely tense. It is quite right that attempts on the part of the Supreme Soviet, the president, and the Cabinet of Ministers are focused on searching for concrete measures for reducing budget expenditures and procuring additional means for the implementation of reforms. However, one should be wary not to make mistakes, where they are not only inexcusable, but also dangerous. I have in mind the fact that some ministries have closely focused their attention on the budget of power structures. The incentive is rather simple here: If there is no real military threat to our sovereignty, the assignations for maintaining the Army can be reduced. Some people even think that every means to achieve this goal is good, therefore it is allowable to renounce the formerly worked out and legislated norms of social protection of servicemen—in the sphere of income tax and tax exemption, the calculation of the length of service (taking into account also the length of civilian education), and payments for military ranks. At the same time, some bureaucrats believe, it is necessary to cut off the pensions of former servicemen. A dubious contribution to the spreading of such attitudes is being made by some articles in the press.

The Belarusian Ministry of Finance, as it turns out, is particularly eager in this area. I agree that this is namely the ministry which is called upon to watch over budget expenditures. However, I beg your pardon, nothing is as simple and straightforward as it is being planned by some experts. Referring to the fact that the Supreme Soviet has some time ago entrusted the Finance Ministry with the task of regulating benefits to Belarusian citizens, this ministry, instead of working out concrete measures, is initiating only one proposal. Namely: to exclude Clause 4 while introducing amendments and addenda to the law on taxation. That is the long and the short of it, as the saying goes. This is from where all rumors are spreading. Clause 4 in the law on taxation, I will remind you, stipulates that the servicemen as well as the workers of the Interior Ministry and KGB bodies be exempt from paying income tax. And all of a sudden—to exclude it...

As a result, working collectives in the Armed Forces as well as in power structures in general have been agitated. Despite our explanations released through the press service of the Defense Ministry, our commission continues to receive many requests and appeals, letters and telephone calls.

One cannot feel undisturbed by that financial and social depression, into which our army is slipping today. The Defense Ministry has received 204.2 billion rubles [not specified further] this year, which constitutes only 63.6 percent of the planned sum...

The Defense Ministry is now facing the acute problem of [finding] additional financial sources. Maybe, our officers are showing off and living high? Nothing of the kind. A commander of a platoon, in charge of soldiers, combat equipment, weapons, and ammunition as well as charged with guard and combat alert duties, is being paid an allowance in the amount of 51,485 Russian rubles, while a commander of a platoon in Russia—243,831 Russian rubles (that is, 4.7 times as much). It should also be added that there usually are no jobs for servicemen's wives in our garrisons. One automatically recalls the sour line from a satirist: "I wish you were living solely on your wage." Many officers and warrant officers are actually doing so. Unfortunately, that is the way it is.

It is easy to see the level of prestige of military service in Belarus when there are over 10,000 servicemen without housing, and with no light at the end of the tunnel in the near future. It was planned that the Armed Forces will receive 4,202 apartments in 1994. As of 1 August, only 1,332 apartments were ready, that is, one-third of the planned amount. By now, the construction works are under a threat to be completely frozen for an indefinite time. What is the reason? There is no funds. The amount of apartments received due to the so-called share participation in housing construction is also depressingly low: of the total stock of 118 apartments, executive committees have allotted only 18. During the nine months of this year, construction costs, as compared to those planned, increased by almost five times, while indexation of the allocated capital investment has so far not been conducted...

What is left for the officers with meager salaries and no prospects for their own housing, their own place? Their service does not allow them to earn on the side or engage in smuggling. There is only one thing left—to leave the Army. This year alone, 1,629 officers left the Armed Forces—of those, only 28 percent were discharged because of age or health. The rest have "run away" because of the beggarly living conditions for servicemen. There are presently still 958 requests for discharge submitted for approval.

The best military specialists are striving to be transferred to Russia. This year alone, 426 officers of the Belarusian Armed Forces were transferred to Russia.

People look for a better living. We must not reproach them for this. Graduates from military schools make appropriate conclusions for themselves, too. Last year, 407 young [Belarusian] officers, having graduated from Russia's military schools, chose to sign contracts with the Russian Armed Forces and stay with them. This year, the Russian Armed Forces have already been chosen by over half of the graduates...

While analyzing the governmental approach to our troops and comparing this to neighboring countries' care of their defenders, one involuntarily comes to an alarming and even terrifying conclusion. The essence of this conclusion is in the following question: Does it not looks like someone was fulfilling a covert program for disintegrating the Army?

Here is a distressful question: "What will become of our Army tomorrow?" The Army, in the first place, means

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people. This also includes combat equipment, formidable modern weapons, and a great amount of ammunition. All these require professional maintenance and competent service. Otherwise, one does not have to search far for serious trouble. Military professionals should not be worried about how they and their families will survive.

The state cannot implement reforms while economizing—in essence, reducing to nothing—the expenses on the institutions of state security.

The implementation of a true military reform—in defiance of the temptation of ill-considered cuts in the defense budget—is the only way to keep efficient troops.

Moldova

Talks on Status of Dniester Region Postponed

LD1310153194 Moscow ITAR-TASS in English 1258 GMT 13 Oct 94

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Transcribed Text] Kishinev [Chisinau] October 13 TASS—A meeting of working expert groups of Moldavia [Moldova] and the Dniester region for working out a political status of the Dniester region, initially scheduled for next Friday, has been postponed, Nikolay Osmonescu, Moldavian deputy foreign minister and head of the Moldavian delegation, told ITAR-TASS today. It was postponed at the request of the Dniester side. The administration of the Dniester region confirmed this information and explained that Tiraspol experts need several more days for examining a draft document, submitted by Kishinev, and drawing up its own proposals. According to the Tiraspol authorities, the meeting will be held next week.

It is going to be the second meeting of experts, held with the mediation of Vladlen Vasev, special envoy of the Russian president, and Richard Samuell, head of the CSCE mission in Moldavia. The groups were created after the leaders of Moldavia and the Dniester region, with the mediation of Russia and CSCE, signed a joint document, in which they agreed to settle the consequences of the conflict and work out a legal status of the Dniester region, integrated into Moldavia.

"The types of a special status, suggested by Tiraspol and Moldavian experts at the first meeting, are far from a compromise," Vladlen Vasev told ITAR-TASS. "I hope the wishes, expressed by the mediators, will now be taken into consideration, and the sides will move faster to meet each other half-way." Vasev does not agree with statements of some politicians, who maintain that the agreement on the withdrawal of the Russian 14th Army from Moldavia, which is expected to be signed soon, will hamper the reaching of agreement at the talks on the settlement of the Dniester conflict.

PS Leader: Situation 'Out of Government's Control'

AU1310171094 Chisinau BASAPRESS in English 2040 GMT 11 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 11/10/1994—The crisis experienced by Moldova is turning into a collapse, Viktor Morev, Moldovan Socialist Party [PS] co-chairman, stated to the weekly VOCEA POPORULUI (THE VOICE OF THE PEOPLE). According to him, the situation is out of the government's control. The natural disasters only emphasized the government's inability to solve the problems faced by the society. Fiscal arrears exceeded 300 million lei; 120 million lei were not paid to the Social Fund. In January-August, output fell by 30.3 percent in comparison with the same period of 1993, the real value of the monthly salary dropped by 52.3 percent. The political problems regarding the Eastern and Southern districts have not been solved and "all problems and programmed measures are mere demagogy and nonsense promoted by phony politicians," said Morev. In his opinion, this hundreds of laws approved by the parliament "make people believe that the government and parliament engaged themselves in a febrile activity and thus remove their thoughts from the essence." Morev said that "it is necessary that the planning system be used again." Privatization by subscription to shares should be forbidden as it is illegal, said Morev.

Snegur Rebuts Romanian Statements on Unification

LD1310132894 Moscow ITAR-TASS in English 1032 GMT 13 Oct 94

[By ITAR-TASS Valeriy Demidetskiy]

[FBIS Transcribed Text] Chisinau October 13 TASS—Statements of a number of Romanian leaders about the forthcoming unification with Moldova are groundless, because the world political situation has changed, Moldovan President Mircea Snegur said in an interview with the German newspaper FRANKFURTER ALLGEMEINE ZEITUNG. He stressed he had always resolutely supported a real independence of Moldova, the president's press service reported today. "I firmly supported this idea, when the former Soviet leaders threatened me with the creation of several states on the territory of Moldova, if I did not give it up, and when some leaders of the national-liberation movement in Moldova put forward the idea of unification with Romania," the president said. Snegur stressed that he was responsible before the nation, which elected him and which firmly supported the independence course at a sociological public opinion poll, held last spring.

The Moldovan leadership expressed perplexity over the statements of Romanian President Ion Iliescu, published by the Italian newspaper CORRIERE DELLA SERA, which dealt with a "possible unification of the two

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countries." According to the newspaper, the Romanian president believes that this process is being blocked by "Russia, which continues to maintain its military presence in Moldova." The Romanian president "asked President Yeltsin to pull the Red Army out of Moldova as soon as possible."

Snegur Opposes Compromise on Transdniestra Statehood

LD1310202494 Moscow INTERFAX in English 1952 GMT 13 Oct 94

[FBIS Transcribed Text] Moldovan President Mircea Snegur "has lost belief in settling the conflict by granting Transdniestra a special status in the near future."

In an interview with INTERFAX, he said he was confident they "would find a way out of the deadlock by looking for compromises" prior to examining Tiraspol's proposals for a special status for Transdniestra.

"However, the draft document I saw was a document on a virtual de jure recognition of the existence of the state as independent," he said. "The document provides for our joint participation only in international competitions, while as for the rest it is proposed that powers are shared, each having its own constitution, army, interior troops, foreign policy, etc."

Snegur said Chisinau was ready to compromise, but not in the issue of Transdniestra's statehood.

"We guarantee that if Moldova's statehood status is changed, which I cannot imagine happening in the short term, this region will enjoy the right to self-determination. We recognize the existence of a certain legislative body and we recognize the region has its own state signs and the highest level of local self-determination," he pointed out.

Snegur hoped the search for compromises will continue to bring the positions of Chisinau and Tiraspol closer.

Consumer Prices in Dniester Increase 'Fourfold'

AU1310170894 Chisinau BASAPRESS in English 2040 GMT 11 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 11/10/1994—The Dniester Labour Committee has made public a communique on the minimum for existence of the population from this region and the dynamics of prices for consumer goods and services. At the end of September, the minimum for existence stood at 7,230 Dniester coupons, the average salary being 6,914 coupons. Consumer prices in Dniester increased fourfold between January-September this year. Compared to last year the prices for various goods increased many- fold: For flour—78 times, bread—60 times, rice—65 times, meat—28 times, milk—155 times, cream—60 times, cream cheese—125 times, potatoes and onions—100 times, etc. At the same time, the salary increased in the same period only by 17.6 times. The inflation rate stood in September at 53.70 percent.

Exporters Lose Around 40% Due to Russian Ruble Fall

LD1310213994 Moscow INTERFAX in English 2006 GMT 13 Oct 94

[FBIS Transcribed Text] According to preliminary information, the losses of Moldovan exporters, inflicted by the Russian ruble's sudden drop against the U.S. dollar, amount to 30-40%, Moldovan Finance Minister Valeriu Chitan told the Financial Information Agency.

Chitan pointed out that the Moldovan delegation will raise the issue of export-import operations within the CIS at the future CIS summit. According to Chitan, the best way to avoid losses would be to set prices in hard currency. "This would be honest," he pointed out.

Chitan stressed that the Russian ruble's fall, both inevitable and deliberately provoked, was "a serious blow to the Moldovan national currency (the lei) as our Republic is within the same economic space as Russia." Chitan said the Moldovan leadership would consider the issue within the next few days.

The inflation rate in Moldova amounted to 102% in September and 99.9% in August.

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Kazakhstan

Government Begins Eliminating Strategic Nuclear Forces

LD1310202294 Moscow INTERFAX in English 1905 GMT 13 Oct 94

[FBIS Transcribed Text] U.S. Secretary of Defense William Perry and Kazakhstan's Defense Minister Sagadat Nurmagambetov exchanged messages Thursday which emphasize that Washington regarded Almaty as a bulwark of stability in Central Asia. Perry invited Nurmagambetov to visit the U.S.A.

According to Nurmagambetov, Kazakhstan has started eliminating it's strategic nuclear forces. Nuclear warheads and RS-20 intercontinental ballistic missiles are being moved to Russia and rocketry units are dealing with their weapons.

The missile silos and launch control centers will be closed down soon, he said. The destruction of nuclear rockets will start in 1994.

Direct Intergovernment Communication Line Set Up With U.S.

LD1310145894 Moscow ITAR-TASS in English 1023 GMT 13 Oct 94

[By ITAR-TASS correspondents Fedor Ignatov and KAZTAG correspondent Anatoliy Tyshler for TASS]

[FBIS Transcribed Text] Almaty October 13 TASS—Kazakhstan and the United States opened a direct intergovernment communication line this Thursday. Kazakh Defence Minister Sagadat Nurmagambetov and U.S. Defence Secretary William Perry exchanged messages of greetings via communication satellites.

The direct link was established in compliance with the agreement on secure and reliable dismantling of nuclear weapons concluded between the two states.

New Prime Minister To Leave Reform Strategy Unchanged

LD1310211994 Moscow INTERFAX in English 2023 GMT 13 Oct 94

[From the "Presidential Bulletin" feature: No. 199 (689); Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; Edited by Vladimir Shishlin]

[FBIS Transcribed Text] Kazakhstan's new Prime Minister Akejan Kajegeldin has said the policy of economic reforms will remain unchanged, except for certain adjustments to speed them up.

"I am quite certain that our reform strategy is correct as far as monetary policies and privatization are concerned," Kajegeldin said. He added that the government is going to put inflation under control and conduct a tough financial policy.

Prime Minister Kajegeldin believes that planned drastic measures, such as bankruptcy procedures and the liberalization of prices are unlikely to earn a new Cabinet any popularity.

Kajegeldin said that the government's tough measures will not yield instantaneous effects. He expects a light rise in inflation rates in October against September's 9.7%.

Observers believe that parliament's unanimous support for Kajegeldin creates a certain safety margin for the new Cabinet and gives it a free hand at least until the end of the year.

In the meantime former Prime Minister Sergey Tereshchenko has blamed his government's resignation on confrontation with parliament. Tereshchenko told a news conference in Alma-Ata [Almaty] that the rejection of economic strategies by parliament and the formation of a special commission to search for corrupt officials in top echelons of power have produced a situation in which the Cabinet became nervous.

Tereshchenko said the introduction of a national currency was his Cabinet's main achievement.

He deplores the fact that the former Cabinet dedicated itself primarily to current affairs and ignored strategic ones. Tereshchenko agreed with the accusations the government had failed to take a firm position on the issue of privatization.

About his own resignation Tereshchenko dismissed any speculations about a conspiracy behind his back. About President Nazarbayev's statement there was no unanimity in his team Tereshchenko said that such a unanimity could never be in principle.

About his plans Tereshchenko said the President had made a number of offers, however, he would probably go in business.

Says Reforms To Be Accelerated

LD1310191894 Moscow INTERFAX in English 1741 GMT 13 Oct 94

[FBIS Transcribed Text] Akezhan Kazhegeldin, Kazakhstan's new prime minister, said that the reform course would not change but the reforms would be accelerated. He argued that the reform strategy was correct as far as the monetary policy and privatization were concerned.

Kazhegeldin said that the government would try to bring inflation under control and pursue a tough financial policy. He believed, however, that inflation would be higher in October than in September when it was 9.7%.

Kazhegeldin said that the government would have to take unpopular steps such as putting companies into receivership, applying bankruptcy procedures and price liberalization.

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Kazhegeldin was the first deputy prime minister in the Sergey Tereshchenko government which resigned last Tuesday [11 October].

Plans Made to Protect Market From Ruble Fluctuations

LD1310213794 Moscow INTERFAX in English 2006 GMT 13 Oct 94

[FBIS Transcribed Text] Kazakhstan plans to take measures to protect its domestic market from fluctuations of the Russian ruble. The board of directors of the National Bank of Kazakhstan decided to exempt all exporters from the compulsory sale of a half of their ruble earnings at the exchange.

However, the director of the foreign transactions department of the National Bank, Marat Kudyshev, told INTERFAX that "the sharp fall of the Russian ruble did not affect the Kazakh market too much." He explained this by saying that the National Bank was "based on gold and hard currency resources," which are "sufficient to back a stable rate of the national monetary unit, the tenge."

According to Kudyshev, his bank kept only "a small amount in rubles" preferring to "accumulate its resources either in hard currency or in precious metals."

Uzbeks Restrict Gas Supplies as Kazakh Debt Grows

LD1410084794 Almaty PANORAMA in Russian 8 Oct 94 p 1

[FBIS Translated Text] Kazakhstan's debt to Uzbekistan growing by 10m tenge a day. The Governments of Kazakhstan and Uzbekistan periodically return to the question of settling accounts and reach agreements on calculating their mutual debts. Kazakhstan, in particular the southern regions and Almaty, are consumers of Uzbek gas and electricity. It is these two items which form the basis of Kazakhstan's debt to Uzbekistan. They amount to $100.4 million and $12.3 million respectively, or a total of $112.7 million as of 1 October. Uzbekistan's debt for deliveries of grain, oil products, and various services was $30.7 million as of the same day.

Region by region the consumers of Uzbek gas owe the following amounts: South Kazakhstan Region—$17.1 million, Dzhambul Region—$8.5 million, Almaty city and region—$10.6 million. Because the prices of natural gas supplied by Russia and Turkmenistan have been averaged out in Kazakhstan, the Mangistau, West Kazakhstan, Kustanay, Aktyubinsk, and Atyrau regions [in Kazakhstan] may also find themselves owing the Uzbeks money.

The debt rises by 10m tenge, or $208,000, a day, which is why the Uzbeks are currently restricting supplies of gas. All in all Kazakhstan's outstanding debt to Uzbekistan now amounts to $82 million, without taking into account the $35.5 million debt Uzbekistan owes for an unpaid grain delivery contract.

The government is now actively seeking ways of repaying its debt to Uzbekistan. Direct debtors have already come up with proposals to repay $15.8 million. In addition, work is also under way on proposals to set regional prices for gas, improve the gas supply structure, and develop a mechanism where repayments made by gas consumers would incorporate reimbursement for variations in the exchange rate caused by late payment.

Shipment of Gas Main Stumbling Block in Development

LD1310203194 Moscow INTERFAX in English 1955 GMT 13 Oct 94

[FBIS Transcribed Text] The problem of gas shipment from the world's largest gas field at Karachaganak, Kazakhstan, is the main stumbling block on the way of developing the site, general director of Kazakhstan's foreign trade association (Kasinterprozhekt) Oleg Kireyev told INTERFAX.

He said that Alma-Ata [Almaty] and the winners of the tender, the British Gas-Agip alliance, were unable to agree the terms of the deal without Russia's participation.

"Russia which wants its own share of profits has now joined the negotiations," Kireyev said. Unconfirmed reports say that Russia which represented by its Gazprom company claims for a 26 percent stake in the project.

Asked when exactly the project will be launched, Kireyev said that British Gas-Agip was still undecided.

For his part, a British Gas representative said his company had no plans of abandoning the project in any foreseeable future while the question of when exactly to start development work is now high on the agenda of talks by all sides including Russia.

More importantly, the technologies offered by the two western companies provide for less output which Kazakhstan finds unacceptable, Kireyev said.

Experts say the site's recoverable reserves run at 1,3 trillion cubic meters of gas and 820 million tonnes of crude oil and gaseous fuel.

Tajikistan

Supreme Council Chairman Visits Kulab

LD1310144894 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 13 Oct 94

[FBIS Translated Text] Yesterday Emomali Rakhmonov, head of state and chairman of the Supreme

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Council of the Republic of Tajikistan, paid a visit to Kulab. In the morning at the town's airport the head of state was greeted warmly by Mahmadsaid Ubaydullayev, secretary of the Council of Ministers; Abdujalol Salimov, chairman of Khatlon Region executive committee; Toshmat Nazirov, chairman of Kulab town executive committee; as well as workers and war and labor veterans.

Emomali Rakhmonov began his acquaintance with the memorial to the great scientist, Mirsaid Ali Hamadani, whose 680th anniversary will be celebrated soon. After seeing the mausoleum and talking to the builders Rakhmonov went to Khodzha Iskhok village and visited the memorial to Khodzha Iskhok-i Khatloni who was Mirsaid Ali Hamadani's apprentice. Then Emomali Rakhmonov, chairman of the Supreme Council of the Republic of Tajikistan, had a meeting with professors, teachers, students, education workers, and employees in the sphere of culture and medical personnel. This took place at Kulab State University.

At the conference hall of the town executive committee Emomali Rakhmonov, candidate for the presidency of the Republic, held his first meeting with Kulab citizens. At the meeting the candidate for the presidency of the Republic of Tajikistan, was presented by the secretary of the rector of Kulab University, Taghai Rakhmonov, who acquainted those present with the biography and work of the candidate and appealed for a unanimous vote in support of Emomali Rakhmonov.

Lieutenant General Patrikeyev, commander of peacekeeping forces in Tajikistan, accompanied Emomali Rakhmonov, head of state and chairman of the Republic of Tajikistan, during his visit. Emomali Rakhmonov's visit to the Kulab area continues.

Border Guards Kill 10 Guerrillas in Clash

LD1310152594 Dushanke Radio Tajikistan Network in Tajik 0800 GMT 13 Oct 94

[FBIS Translated Text] The rebels have committed another armed provocation. The press center of the Russian Border Troops in Tajikistan told a Khovar news agency correspondent that on 12 October guerrillas opened fire from Afghan territory on a column of military vehicles from the Border Post 5 of the Khorog border guard unit. The border guards fired back at the guerrillas, killing 10. The border guards did not sustain casualties.

Ruble Crisis Closes Tajik Currency Exchanges

LD1310201994 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 13 Oct 94

[FBIS Translated Text] All currency exchanges have been temporarily closed in Tajikistan. The National Bank approved this resolution in view of the ruble's sharp fall on the Russian market. Tajikistan's economy is, of course, closely tied up with Russia's.

As a KHOVAR news agency correspondent was told at the National Bank, the change in the ruble's exchange rate has not affected the economic situation yet, but changes are possible in the near future. The current situation has also been influenced by the immense shortage of cash in the Republic, and by the fact that our country has not yet entered the ruble zone.

The dollar's exchange rate remained at 2,900 rubles in the National Bank, but the volume of trading has been officially curtailed. A dollar fetches about 4,000 rubles on the black market.

There is a way out of this situation—to limit the outflow of currency from Tajikistan, but this or similar measures are not acceptable to the economic specialists.

Turkmenistan

Southwest Region Developing Oil, Gas Fields

LD1310120494 Ashgabat TURKMENSKAYA ISKRA in Russian 1 Oct 94 p 1

[FBIS Translated Text] The workforce of the Kamyshldzhaneft NGDU [expansion unknown] markedly accelerated the development of new hydrocarbon deposits. After three new wells began production on a trial basis at the Yuzhnaya Kamyshldzha field, another high-yield well, N11, is now ready to go on stream. It was drilled to a projected depth of 3,445 meters by the Okarem department's workforce. Drilling of another, deeper well, N14, to a projected depth of 4,100 meters has begun in order to define the contours of this highly promising oil and gas deposit. Another drilling rig is being set up at the same time to identify the limits of the oil and gas deposit at great depth. Geologists think that South Kamyshldzha will be the largest hydrocarbon deposit in the southwest of our country.

The prospectors are hoping for more hydrocarbon reserves from the new North Okarem prospected field. To achieve this, drilling of two wells to a projected depth of 3,800 meters is almost complete.

The start of operations at the Korpedzhe group of deposits will be among the first moves to raise hydrocarbon extraction in southwest Turkmenistan. The group includes the promising oil and gas deposits of East Kamyshldzha, Korpedzhe, and South Bugdayly where drilling has ended and 20 oil wells and 20 gas wells have been capped due to the lack of infrastructure for the field.

Oil and gas industrial equipment for them were brought from Shatlyk. However, there was a delay in installing it because there were no sources of funding and no contracting organizations. Now these matters have been resolved. The Neftespetsmontazhstroy group is rapidly reinforcing [obvyazka] the wellheads and laying pipelines from them to an oil collection tank, as well as a gas pipeline from Korpedzhe to Kamyshldzha with a total length of 17 km. The Balkanneftegazstroy group, the

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Balkanneftegazelektromontazh joint-stock company, and other contractors will also have much to do this year to provide the Kerpedzhe deposit with infrastructure.

The current infrastructure facilities at the Korpedzhe group of deposits are like a beachhead for a full-scale assault on the underground deposits in the severe conditions of the desert. A great deal of construction and road-building machinery has been deployed here. Heavy Tatra trucks blow up clouds of dust as they transport earth and gravel to the surface of future highways. Flashes of welding are seen here and there in the blue-gray mirage of the desert. Pipelayers link up water, gas, and oil pipelines. Fitters set up oil industry equipment at low-temperature gas separation units, pumping stations, and other facilities for the Korpedzhe gas-condensate deposit for the periods of both trial and industrial exploitation. It is planned to put the equipment into operation in 1995.

In order to coordinate the operations of the client and the subcontractors, a permanent head office for the construction project has been set up at the Balkanneftekhimprom concern. This office is important if the program of accelerated development of Turkmenistan's oil and gas sectors is to be implemented successfully.

Gas Pipeline Construction Talks Held With Iran

LD1310171894 Moscow ITAR-TASS in English 1556 GMT 13 Oct 94

[By ITAR-TASS correspondent Anna Kurbanova]

[FBIS Transcribed Text] Ashkhabad October 13 TASS—Iran is ready to complete design works for the construction of a gas pipiline through Turkmenistan, Iran, Turkey and Europe by next May, Iranian Oil Minister Gholam Reza Aqazadeh-Kho'i said on Wednesday [12 October] during his meeting with Turkmenian President Saparmurad Niyazov.

The agreement to construct the gas pipe-line was reached at the meeting of the interstate council of the consortium, which is in charge of transporting Turkmenian fuel, in Tehran last August.

According to preliminary estimations, the construction of the 1470-kilometre pipe-line will cost $3.7 billion. Originally, it will supply 15 billion cubic metres of gas a year. A larger capacity will require extra finances.

On Thursday, a group of experts from the Iranian Oil Ministry continued discussing the characteristics of the pipe-line.

Uzbekistan

Law on Supreme Assembly Issued

LD1210215794 Tashkent NARODNOYE SLOVO in Russian 5 Oct 94 p 1

[FBIS Translated Text]

The Constitutional Law of the Republic of Uzbekistan on the Supreme Assembly [Oliy Majlis] of the Republic of Uzbekistan

Chapter 1. General provisions

Article 1. The legal status of the Supreme Assembly of the Republic of Uzbekistan:

- The Supreme Assembly of the Republic of Uzbekistan is the highest state representative body exercising legislative power in the Republic.
- The Supreme Assembly is competent to take into its consideration any question referred to its authority in accordance with the Constitution of the Republic of Uzbekistan:

—The Supreme Assembly is a one-chamber body.

—The Supreme Assembly consists of 250 deputies elected from single-seat territorial constituencies on the multi-party principle.

—The permanent and effective nature of the Supreme Assembly's activities shall be ensured by the work of its sessions, the Council [Kengash] of the Supreme Assembly, the committees and commissions of the Supreme Assembly and deputies.

Article 2. Elections to the Supreme Assembly of the Republic of Uzbekistan:

The procedure for preparing and holding elections to the Supreme Assembly is defined by the Law of the Republic of Uzbekistan on Elections to the Supreme Assembly of the Republic of Uzbekistan and other legislative acts of the Republic issued in accordance with the law.

Article 3. The term of office of The Supreme Assembly of the Republic of Uzbekistan:

The term of office of the Supreme Assembly of the Republic of Uzbekistan shall be five years.

On the expiry of its term of office the Supreme Assembly will continue its activities until a newly convened Supreme Assembly starts work.

Article 4. The powers of the Supreme Assembly of the Republic of Uzbekistan:

The powers of the Supreme Assembly shall include:

(1) Adopting the Constitution of the Republic of Uzbekistan and amendments and addenda to it;

(2) Adopting the laws of the Republic of Uzbekistan and amendments and addenda to them;

(3) Determining the main direction of domestic and foreign policies of the Republic of Uzbekistan and approving strategic state programs on the basis of proposals from the Cabinet of Ministers;

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(4) Determining the system and powers of bodies of legislative, executive and judicial authority in accordance with the Constitution of the Republic of Uzbekistan;

(5) Admitting new state formations into the Republic of Uzbekistan and approving decisions on their secession from the Republic of Uzbekistan;

(6) The legislative regulation of customs, currency and credit systems;

(7) The legislative regulation of the administrative and territorial structure, and alterations to the frontiers of the Republic of Uzbekistan;

(8) Approving the budget of the Republic of Uzbekistan submitted by the Cabinet of Ministers and supervising its implementation; determining taxes and other compulsory payments;

(9) Scheduling elections to the Supreme Assembly of the Republic of Uzbekistan and local representative bodies and forming the Central Electoral Commission;

(10) Setting the date of elections for the President of the Republic of Uzbekistan on expiry of his term of office in accordance with the Constitution of the Republic of Uzbekistan;

(11) Electing the chairman and deputy chairmen of the Supreme Assembly of the Republic of Uzbekistan;

(12) Electing the Constitutional Court of the Republic of Uzbekistan;

(13) Electing the Supreme Court of the Republic of Uzbekistan;

(14) Electing the Higher Arbitration [khozyaystvennyy] Court of the Republic of Uzbekistan;

(15) Appointing and dismissing the chairman of the State Committee for the Protection of the Environment of the Republic of Uzbekistan at the proposal of the President of the Republic of Uzbekistan;

(16) Ratifying the decrees of the President of the Republic of Uzbekistan on the appointment and dismissal of the Prime Minister, the First Deputy Prime Minister, Deputy Prime Ministers, and the members of the Cabinet of Ministers;

(17) Ratifying the decrees of the President of the Republic of Uzbekistan on the appointment and dismissal of the Prosecutor General of the Republic of Uzbekistan and his deputies;

(18) Appointing and removing the Chairman of the Board of the Central Bank of the Republic of Uzbekistan at the proposal of the President of the Republic of Uzbekistan;

(19) Ratifying the decrees of the President of the Republic of Uzbekistan on the formation and abolition of ministries, state committees and other bodies of state administration;

(20) Ratifying the decrees of the President of the Republic of Uzbekistan declaring general and partial mobilization, and declaring, prolonging and ending a state of emergency;

(21) Ratifying and denouncing international treaties and agreements;

(22) Establishing state awards and honorary titles;

(23) Forming, abolishing and renaming districts, towns, and regions and altering their boundaries;

(24) Implementing other powers as defined by the Constitution of the Republic of Uzbekistan and this law.

Article 5. Deputies of the Supreme Assembly of the Republic of Uzbekistan:

Deputies of the Supreme Assembly represent their electorate as well as the political parties or representative bodies of authority who nominated them as a deputy.

The deputies shall follow the Constitution and legislation of the Republic of Uzbekistan when carrying out their duties.

The term of office of Supreme Council deputies shall be five years.

The powers of a deputy shall be terminated early in the following cases:

—If he resigns;

—If he is elected or appointed to a position, the holding of which is not legally compatible with using his powers as a deputy;

—If a guilty verdict against him pronounced by a court of law is legally carried out;

—If a court of law deems him incompetent;

—If he is recalled;

—If he loses citizenship of the Republic of Uzbekistan;

—If he dies;

The powers of a deputy may also be terminated early in other cases provided for by law.

The rights, duties and guarantees of the activities of a deputy of the Supreme Assembly shall be determined by legislative acts of the Republic of Uzbekistan.

The expenses of deputies incurred during their work for the Supreme Assembly shall be reimbursed according to the procedure established. Deputies working in the Supreme Assembly on a permanent basis may not hold any other paid post, nor engage in entrepreneurial activity during their term of office.

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Deputies of the Supreme Assembly have the right of immunity. They may not be prosecuted, arrested, or be subject to a court-imposed administrative penalty without the sanction of the Supreme Assembly or, between sessions, without the sanction of the Council of the Supreme Assembly which must then be brought to the attention of deputies at the next session.

Chapter 2. The organization of work of the Supreme Assembly of the Republic of Uzbekistan

Article 6. The sessions of the Supreme Assembly of the Republic of Uzbekistan:

The work of the Supreme Assembly of the Republic of Uzbekistan shall be in the form of a session.

A session of the Supreme Assembly shall be opened and closed at its meetings.

A session of the Supreme Assembly shall consist of its meetings and also the meetings of committees and commissions and other bodies of the Supreme Assembly held in between. A session of the Supreme Assembly shall be convened no less frequently than twice a year.

Article 7. The meetings of the Supreme Assembly of the Republic of Uzbekistan:

The first meeting of a newly-elected Supreme Assembly shall be convened by the Central Electoral Commission within two month of the elections.

The first meeting of the first session of the Supreme Assembly is opened and chaired by the Chairman of the Central Electoral Commission until a chairman of the Supreme Assembly of the Republic of Uzbekistan is elected.

A meeting of the Supreme Assembly of the Republic of Uzbekistan is deemed quorate if no less than two thirds of the total number of deputies are in attendance.

Laws and other resolutions of the Supreme Assembly shall be adopted exclusively at its meetings.

The president of the Republic of Uzbekistan, the prime minister, and members of the Cabinet of Ministers, chairmen of the Constitutional Court, Supreme Court, and Higher Arbitration Court, the prosecutor general of the Republic, and chairman of the board of the Central Bank have the right to attend Supreme Assembly meetings.

Article 8. Extraordinary sessions of the Supreme Assembly of the Republic of Uzbekistan:

Extraordinary sessions of the Supreme Assembly of the Republic of Uzbekistan shall be convened by the Chairman of the Supreme Assembly at his own initiative or at the proposal of the president of the Republic of Uzbekistan, the Supreme Council [Zhokargy Kenes] of the Republic of Karakalpakstan or at least one third of the Supreme Assembly deputies.

Chapter 3. Acts of the Supreme Assembly of the Republic of Uzbekistan

Article 9. Adoption of acts by the Supreme Assembly of the Republic of Uzbekistan:

The Supreme Assembly of the Republic of Uzbekistan adopts the Constitution of the Republic of Uzbekistan, constitutional laws, laws, resolutions and other documents.

The Constitution of the Republic of Uzbekistan, laws amending and adding to the Constitution as well as other constitutional laws must be passed by at least two thirds of the total number of Supreme Assembly deputies.

The Supreme Assembly of the Republic of Uzbekistan may pass a law on amendments and addenda to the Constitution within six months of the appropriate resolution being tabled and taking into account wide-ranging discussion of it. If the Supreme Assembly of the Republic of Uzbekistan rejects a proposed amendment to the Constitution the proposal cannot be reconsidered within one year.

Laws, resolutions, and other acts shall be adopted by a simple majority of the total number of Supreme Assembly deputies.

Article 10. The publication of acts of the Supreme Assembly of the Republic of Uzbekistan and their coming into effect:

The publication of laws of the Republic of Uzbekistan and other regulatory acts of the Supreme Assembly is compulsory for them to come into effect.

The laws of the Republic of Uzbekistan and other regulatory acts of the Supreme Assembly shall be published not later than a week after they are signed and come into effect ten days after their publication unless otherwise stipulated in the document itself.

Article 11. Supervision of the implementation of acts of the Supreme Assembly of the Republic of Uzbekistan:

The Supreme Assembly of the Republic of Uzbekistan supervises the implementation of laws and other acts of the Supreme Assembly of the Republic of Uzbekistan.

Chapter 4. The Chairman of the Supreme Assembly of the Republic of Uzbekistan and his deputies

Article 12. The Chairman of the Supreme Assembly of the Republic of Uzbekistan:

The Chairman of the Supreme Assembly shall be elected for the term of the Supreme Assembly by the Supreme Assembly of the Republic of Uzbekistan from amongst the deputies in a secret ballot upon proposal of the assembly of representatives of regional groups of deputies.

The same person cannot be elected Chairman of the Supreme Assembly for more than two consecutive terms.

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The Chairman of the Supreme Assembly can be recalled before the end of his term by decision of the Supreme Assembly if it is adopted by more than two- thirds of the deputies in a secret ballot.

Article 13. The powers of the Chairman of the Supreme Assembly of the Republic of Uzbekistan:

The Chairman of the Supreme Assembly of the Republic of Uzbekistan shall:

(1) Provide general leadership in preparing questions put forward for discussion by the Supreme Assembly;

(2) Convene sessions of the Supreme Assembly and in conjunction with the chairmen of committees and commissions formulate proposals for its agenda in accordance with the established procedure (the standing orders of the Supreme Assembly);

(3) Chair the meetings of the Supreme Assembly and its Council;

(4) Coordinate the activities of the Supreme Assembly's committees and commissions;

(5) Organize supervision of the implementation of Supreme Assembly laws and resolutions;

(6) Head work on maintaining inter-parliamentary links and lead the activities of groups connected with the work of international parliamentary organizations.

(7) Present to the Supreme Assembly candidates approved by the Supreme Assembly Council to be elected as deputy chairmen of the Supreme Assembly and chairmen of the Supreme Assembly committees and commissions;

(8) Appoint deputy chairmen and secretaries of the committees and commissions upon proposal by the chairmen of the committees and commissions and after the Supreme Assembly Council's approval.

(9) Make changes in the committees' and commissions' membership upon proposal by the chairmen of the committees and commissions with subsequent presentation to the Supreme Assembly for confirmation;

(10) Manage the Supreme Assembly's publications;

(11) Confirm the statutes and membership of the editorial boards of the Supreme Assembly's publications and the estimate of expenditure on them;

(12) Appoint and dismiss the editors of the Supreme Assembly's publications after approval by the Supreme Assembly Council;

(13) Confirm the estimate of expenditure on deputies and the Supreme Assembly apparatus;

(14) Sign the resolutions of the Supreme Assembly and its Council.

The Chairman of the Supreme Assembly has the right to submit questions which fall within his competence for examination by the Council.

The Chairman of the Supreme Assembly of the Republic of Kazakhstan shall issue instructions on matters which fall within his competence.

Article 14. Deputy chairmen of the Supreme Assembly of the Republic of Uzbekistan:

Deputy Chairmen of the Supreme Assembly are elected from amongst the Supreme Assembly deputies by secret ballot for the term of the Supreme Assembly.

One of the deputy chairmen of the Supreme Assembly shall be a representative of Karakalpakstan who is a deputy in the Supreme Assembly.

The Deputy Chairmen of the Supreme Assembly of the Republic of Uzbekistan shall carry out at the instruction of the Chairman certain of his functions and deputize for him in his absence or in the event he is unable to carry out his own duties.

Chapter 5. The Council of the Supreme Assembly of the Republic of Uzbekistan, its composition and powers.

Article 15. The Council of the Supreme Assembly of the Republic of Uzbekistan:

In order to organize the work of the Supreme Assembly and for it to use the powers vested in it by this law, the Council of the Supreme Assembly of the Republic of Uzbekistan shall be formed at the first session.

Article 16. The composition of the Council of the Supreme Assembly of the Republic of Uzbekistan:

The composition of the Council of the Supreme Assembly of the Republic of Uzbekistan shall include the Chairman of the Supreme Assembly, the Deputy Chairmen, the Chairmen of committees, and the credentials commission, and representatives of official factions in the Supreme Assembly.

Article 17. The powers of the Council of the Supreme Assembly of the Republic of Uzbekistan:

The Council of the Supreme Assembly of the Republic of Uzbekistan shall:

(1) Draft proposals on the agenda and procedure of sessions of the Supreme Assembly;

(2) Listen to reports from the committees and commissions of the Supreme Assembly on work that is being carried out and information about the implementation of laws and other decisions of the Supreme Council;

(3) Organize work on drafting laws;

(4) Make a preliminary examination of drafts of laws and other documents upon proposal by the Chairman of the Supreme Assembly;

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(5) Analyze the proposals and remarks of deputies made at sessions of the Supreme Assembly and take an appropriate decision on them;

(6) Consider in between sessions the question of sanctioning the prosecution of a Supreme Assembly deputy in the instances and according to the procedure prescribed by legislation and of sanctioning his dismissal by the administration of his workplace;

(7) Examine other matters related to the work of the Supreme Assembly and the effective use by deputies of their powers.

The Council of the Supreme Assembly shall take decisions on questions which fall within its competence and which will be published in accordance with the established procedure.

Chapter 6. The committees and commissions of the Supreme Assembly of the Republic of Uzbekistan

Article 18. The election of committees and commissions of the Supreme Assembly of the Republic of Uzbekistan:

The Supreme Assembly of the Republic of Uzbekistan shall at its first session upon proposal by the assembly of representatives of regional groups of deputies elect for the whole term committees and commissions from amongst deputies to work on draft laws, make preliminary examinations of and prepare questions submitted to the Supreme Assembly for examination, and supervise the implementation of laws and other decisions passed by the Supreme Assembly. The number of committees and commissions and the number of deputies on them shall be determined by the Supreme Assembly.

A deputy of the Supreme Assembly can, as a rule, be a member of only one committee or commission of the Supreme Assembly.

The Chairman and Deputy Chairmen of the Supreme Assembly cannot be elected to the committees and commissions.

A deputy who was not elected to a committee or commission has the right to participate in its work with a consultative vote.

All members of committees and commissions enjoy equal rights.

If necessary the Supreme Assembly may organize and elect new committees and commissions, and abolish and reorganize committees and commissions established earlier.

The committees and commissions of the Supreme Assembly are responsible and accountable to the Supreme Assembly.

Article 19. The composition of committees and commissions of the Supreme Assembly of the Republic of Uzbekistan.

The Supreme Assembly shall elect committees and commissions consisting of chairmen and other members. The deputy chairman and secretary of a committee or commission, upon proposal of the committee or commission chairman, shall be appointed from amongst the deputies of the committee or commission by the Chairman of the Supreme Assembly in agreement with the Council of the Supreme Assembly.

Chairmen, deputy chairmen and secretaries of committees and commissions (with the exception of temporary ones) shall function, as a rule, on a permanent basis.

Article 20. Temporary commissions of the Supreme Assembly of the Republic of Uzbekistan:

The Supreme Assembly and its Council may organize temporary commissions of deputies in order to carry out specific instructions. Temporary commissions shall cease their work after fulfilling the tasks set them or earlier by decision of the Supreme Assembly or its Council.

Article 21. The organization of the work of the committees and commissions of the Supreme Assembly of the Republic of Uzbekistan:

The committees and commissions of the Supreme Assembly shall organize their work in accordance with their own plans and the instructions and recommendations of the Supreme Assembly, its Chairman and the Council of the Supreme Assembly.

Article 22. Meetings of the committees and commissions of the Supreme Assembly of the Republic of Uzbekistan:

Meetings of committees and commissions shall be held as necessary and not only between meetings of the Supreme Assembly but in between its sessions as well.

Meetings of committees and commissions of the Supreme Assembly shall be competent if not less than half of the composition of the committee or commission attends them.

Meetings of committees and commissions shall, as a rule, be open. Representatives from state bodies and public associations, scientific establishments, specialists and scientists may be invited to meetings to participate with the right of a consultative vote. Representatives of the press, television, radio and other parts of the media may also be invited to ensure wide reporting of the activities of the commissions and committees.

If necessary the committees and commissions may take the decision to hold a closed meeting.

Article 23. The powers of the committees and commissions of the Supreme Assembly of the Republic of Uzbekistan:

The committees and commissions of the Supreme Assembly shall:

(1) Develop draft laws and other Supreme Assembly decisions on issues within their jurisdiction at the

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instruction of the Supreme Assembly, its Chairman, the Council of the Supreme Assembly, or on its own initiative.

(2) Prepare questions related to the improvement of legislation and introduce proposals on the agenda of the session of the Supreme Assembly;

(3) Invite representatives of state bodies, public associations, specialists and scientists to participate in the work of the committees and commissions;

(4) Send for expert examination draft laws developed not only by the committee or commission, but also received as legislative initiatives, and ask for the conclusions of the Cabinet of Ministers on them, and also for the views of the relevant ministries, state committees, public associations, and scientists and specialists;

(5) Submit to the Supreme Assembly or its Council conclusions, remarks and suggestions on the results of the preliminarily examination of the draft laws given to them to study;

(6) Deliver reports and co-reports on questions within their jurisdiction at meetings of the Supreme Assembly;

(7) Examine drafts of the republican budget sent them by the Chairman of the Supreme Assembly or by the Council of the Supreme Assembly, reports on its implementation, and also drafts of strategic state programs;

(8) Present proposals to the government of the Republic of Uzbekistan on questions under their jurisdiction;

(9) Request documents, written conclusions, report figures and other materials on questions within their jurisdiction from state bodies, public associations and officials.

(10) Supervise the implementation of laws and other decisions of the Supreme Assembly of the Republic;

(11) Listen to reports from the heads of ministries, state committees and departments, heads of the Council of Ministers of the Republic of Karakalpakstan, regional and Tashkent city administrations [hakimiyats], enterprises, establishments and organizations on the implementation of laws and other acts of the Supreme Assembly and of recommendations of committees and commissions.

Article 24. Decisions of the committees and commissions of the Supreme Assembly of the Republic of Uzbekistan:

A committee or commission adopts a decision, with a recommendatory nature, or presents a conclusion on questions it has examined. On questions considered by several committees and commissions a joint decision or conclusion is adopted.

All questions in committees and commissions are decided by a simple majority of votes of the total number of members of the committee or commission.

Decisions by the committees and commissions which are sent to state bodies and public associations are to be examined by them without fail with a subsequent report on the results or measures adopted within a month unless otherwise stipulated in the decision.

Chapter 7. Concluding provisions

Article 25. The Secretariat of the Supreme Assembly of the Republic of Uzbekistan:

The Secretariat of the Supreme Assembly is created for providing for the activities of the Supreme Assembly of the Republic of Uzbekistan.

The structure and staff of the Secretariat and its work procedures are approved by the Chairman of the Supreme Assembly.

The conditions of employment of workers in the Secretariat are not dependant on the length of the term of the Supreme Assembly.

Article 26. Expenditure by the Supreme Assembly of the Republic of Uzbekistan:

Expenditure by the Supreme Assembly of the Republic of Uzbekistan is provided for during the approval of the republican budget.

Article 27. The standing orders of the Supreme Assembly of the Republic of Uzbekistan:

The procedure for the activities of the Supreme Assembly of the Republic of Uzbekistan and its bodies is determined by the Standing Orders of the Supreme Assembly.
[Signed] President of the Republic of Uzbekistan Islam Karimov.
[Place] Tashkent.
[Dated] 22 September 1994.

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Armenia

Ministry Says Border Situation Relatively Peaceful

NC1310153494 Yerevan Radio Yerevan in Azeri 1430 GMT 13 Oct 94

[FBIS Translated Text] The Armenian Ministry of Defense Press Office has disclosed that the situation in all the border rayons between Armenia and Azerbaijan was relatively peaceful last night and this morning. No incidents were registered.

Russian Premier Shakhray Cancels Visit

NC1310191894 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0655 GMT 13 Oct 94

[[FBIS Transcribed Text] Yerevan ("GOLOS ARMENII" daily), 10/13/94—In the issue of 11 October we reported about the possible visit of Russian Vice Premier Sergey Shakhray to Armenia. Nevertheless, the Russian high official did not arrive to Yerevan on the mentioned day.

Governmental spokesman Vladimir Manoian reported that, indeed, Shakhray was expected to arrive on that day, and said that the Supreme Council knows the details. The Supreme Council press service informed us in turn that the Russian vice premier won't come to Armenia. The reasons are not known yet.

All Trade in Rubles Halted on Yerevan Currency Market

NC1310192094 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0655 GMT 13 Oct 94

[FBIS Transcribed Text] Yerevan ("RESPUBLICA ARMENIA," "LRAGIR" dailies), 10/13/94—The situation at the currency market is uncalm. Though the sales at the Yerevan Stock Exchange have shown rather stable behavior of dram (the exchange rate only varied within 20 lumas last Tuesday), the rate of dollars in Yerevan exchange offices grew instantly, and reached 428 drams per dollar.

The RA [Republic of Armenia] Central Bank explains the situation by a sharp drop of the value of Russian rubles, which penetrated the market at high speed and created a strong need for dollars. As a result, the dram has lost about 5 percent of its value.

The last auction of the Yerevan Stock Exchange, carried on Monday, has shown that the Central Bank was still of the opinion that inflation of Russian rubles is of temporary character ($379,000 were sold, which amount is even less then last time). Nevertheless, the Central Bank is ready to satisfy the dollar needs of the republic.

Yerevan ("ARAGIL" AIP), 10/12/94—The Central Bank attempts to defend the internal market from superinflation caused by Russian rubles. The exchange offices in Yerevan were being warned yesterday that they must stop all the transactions in Russian rubles under the threat of confiscation of all currency in their possession.

IMF Grants Yerevan $500 Million Loan

LD1310213694 Moscow INTERFAX in English 2006 GMT 13 Oct 94

[FBIS Transcribed Text] The International Monetary Fund is offering Armenia a $500-million standby loan to stabilize the former Soviet Republic's currency, the dram.

The loan, talks on which are currently underway, would come next year in two $250-million tranches. A preliminary agreement on it was reached in Madrid on 2-4 October.

Armenia will receive the money if it meets several conditions, namely it has to gradually deregulate bread prices and electricity charges, considerably raise customs duties and food taxes and simultaneously pay compensatory allowances to the population.

Some sources told the Financial Information Agency that the Armenian government planned to increase bread prices approximately tenfold from 1 December. In November wages are to go up, but by no more than 150 to 200 percent.

The final decision is to be taken by the IMF board of directors on the basis of a memorandum to be submitted by Fund officials at present negotiating with Armenia.

Black Sea Cooperation Council Body Meets in Yerevan

NC1210204794 Yerevan Radio Yerevan International Service in Armenian 1615 GMT 12 Oct 94

[FBIS Translated Text] The Fourth Session of the Legal-Political Commission of the Interparliamentary Assembly of the Black Sea Economic Cooperation Council opened at the Presidium of the Armenian National Academy of Sciences today. Albania, Armenia, Russia, Romania, Georgia, Ukraine, Moldova, and Turkey, founding members of the Assembly, are taking part in the meeting.

Davit Vardanian, the head of the Armenian delegation at the commission, opened the morning session. Babken Ararktsian, chairman of the Armenian Supreme Council, made a welcoming speech.

The election of the president of the commission, the results of the commission's third session in Tbilisi, visa regulations among the members countries [word indistinct], the setting of dates for a seminar on the establishment of peace and (?stability) in the Black Sea region, and other current problems will be discussed during the two-day-long meeting in Yerevan.

Concludes Meeting

NC1310211894 Yerevan Radio Yerevan International Service in Armenian 1930 GMT 13 Oct 94

[FBIS Translated Text] The Fourth Session of the Legal-Political Commission of the Interparliamentary

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Assembly of the Black Sea Economic Cooperation [IABSEC] was held in Yerevan on 12 October. Armenia, Georgia, Moldova, Russia, Ukraine, Romania, and Turkey took part in the work of the session. Greece was present as an observer.

In greeting the guests, Babken Ararktsian, chairman of Armenian Supreme Council and head of the Armenian parliamentary delegation at the Interparliamentary Assembly, noted that Armenia is one of the founders of this organization and has declared its parliament's resolve to use every opportunity to widen and develop cooperation in various fields and on various levels. Babken Ararktsian expressed the convictions that the work done in Yerevan by the participants will help create a coordinated legal foundation for the member countries.

Babken Ararktsian, chairman of Armenian Supreme Council, received Zorab Andreadze, deputy chairman of IABSEC, on 12 October. Supreme Council press service informed ARMENPRES that the current work of the Legal-Political Commission of IABSEC and matters relating to the prospects of the overall activity of the IABSEC were examined during the meeting.

After the conclusion of the work of the Legal-Political Commission of IABSEC, the members of the delegation were received on the same day by Babken Ararktsian, chairman of Armenian Supreme Council.

In greeting the guests at the Armenian parliament, Babken Ararktsian expressed his satisfaction at the results achieved by the commission during its session in Yerevan, and congratulated member of the Turkish delegation Muhtar Mehramli on his election as chairman of the Legal-Political Commission.

While noting that many difficult problems exist in the region, the chairman of the Supreme Council favored their gradual solution and the expansion of cooperation. At the same time, he stressed the need to develop direct interparliamentary relations among the Black Sea countries.

In turn, Muhtar Mehramli, the newly elected chairman of the Legal-Political Commission, thanked the chairman of the Armenian parliament and his Armenian colleagues in the name of the delegations for having organized the fourth session of the Commission in Yerevan. He also underlined the productivity of the commissions' work. He also expressed the conviction that IABSEC will greatly assist in establishing stability and cooperation in the region in the interest of the development of all the states.

Azerbaijan

Escaped Prisoner Explains Case, Offers To Surrender

NC1310195494 Baku TURAN in English 1119 GMT 11 Oct 94

[FBIS Transcribed Text] Baku, October 11 (TURAN)—"At night on 21 September we were led out of the isolator of Azerbaijan's Ministry of National Security and driven away in unknown direction. Later we have been informed that a special group had to kill us," reads Arif Pashayev's appeal to Supreme Majlis of the Popular Front [People's front of Azerbaijan, PFA].

Arif Pashayev is the member of the Popular Front, commander of Lachin's self-defence regiment and one of those arrested, who had escaped from the isolator of Ministry of National Security.

In his appeal Arif Pashayev reports that the operation failed due to activities of Senior Lieutenant of Ministry of National Security, Faik Mirzoyev, who "was informed about planned murder and drove us away in the opposite direction saving our lives".

Arif Pashayev reports that the authorities planned such a "dirty scenario" when the facts disproving the involvement of the PFA in surrender of Shusha and Lachin cities have been promulgated on the trial.

Arif Pashayev also says that he is ready to come to court to continue the trial with the following demands: representatives from political and international organisations must take part at the trial; during the trial he must not stay in the isolator of the Ministry of National Security since security cannot be guaranteed him there, court hearings must be held in a big room and broadcasted on TV. "If these demands are met, I will surrender to the authorities within the period of three days," reads Pashayev.

Arif Pashayev and the former Defense Minister, Rahim Gaziyev, were accused of surrender of Shusha and Lachin cities on May 1992. They were accused of surrender without defence. The third prisoner, the former Deputy Defense Minister, Baba Nazarli, was accused of abuse of his duties and the fourth one—Alikram Hummatov—was accused of illegal seizure of power and proclamation of the self-styled Talish-Mugan republic in summer of 1993.

To Surrender if Security Guaranteed

LD1310185894 Moscow INTERFAX in English 1708 GMT 13 Oct 94

[FBIS Transcribed Text] Colonel Arif Pashayev, former commander of the Lachin Battalion of the Azerbaijani Army, who is on the state wanted list, has told journalists that he is prepared to surrender if his security is guaranteed.

Pashayev, who is also deputy chairman of the Popular Front, escaped from the Security Ministry's detention center in the early hours of 22 September together with former defense minister Ragim Gaziyev, his deputy Baba Nazarli and head of the self-proclaimed Talysh-Mugan Republic Colonel Alikram Gummatov. The first three are accused of surrendering the towns of Shusha and Lachin to the Armenian forces in May 1993 and the latter, of defecting.

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Pashayev, whose whereabouts are unknown, wrote in a letter his parents made available to the media that all of them had been abducted from jail to be killed "as they tried to escape" but the Security Ministry's officer who had staged the escape, Faik Mirzoyev, changed his mind at the last moment.

Pashayev believes that the decision to kill them was made when he and the three others started to cooperate with investigators.

President Aliyev Appoints New Officials

NC1310145994 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1300 GMT 13 Oct 94

[Text] Galib Abdul ogly Khalikov has been appointed deputy National Security Minister of Azerbaijan in a decree by the Azerbaijani president.

The appointment of Rafig Imran ogly Ahmedov as the prosecutor of the city of Ganja has been confirmed in a decree of the Azerbaijani president.

The appointment of Zakir Elekper ogly Piriyev as the military prosecutor of the Ganja garrison has been confirmed in a decree of the Azerbaijani president.

Aliyev Discusses Dispute With Kozyrev, Chernomyrdin

NC1310202994 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1745 GMT 13 Oct 94

[Statement by the Azerbaijani Presidential Press Service—read by announcer]

[FBIS Translated Text] Azerbaijani President Geydar Aliyev had a telephone conversation with the Russian Federation Foreign Minister Andrey Kozyrev on 12 October 1994. The telephone conversation was devoted to the agreement signed with the consortium of foreign oil firms in Baku on 20 September 1994 regarding the exploitation of the oilfields in the Azerbaijani sector of the Caspian Sea.

The Azerbaijani President noted that talks with the foreign oil firms on this agreement started back in 1990 and an agreement was signed between the Azerbaijani and Russian Governments in October of 1994. The agreement was signed by Fuel and Energy Minister Shafranik in the name of the Russian Government. As a result of this, Russia' Lukoil oil firm was included in the consortium of foreign oil firms. Representatives of Lukoil company and of the Russian Fuel and Energy Ministry took part in the signing ceremony on 20 September 1994 and signed the agreement. The Russian ambassador to Azerbaijan also was present at the ceremony.

The Russian side advanced no objections at all against this agreement during the entire course of talks with the consortium of foreign firms over the years.

The division of the Caspian into sectors was arranged back in 1970 by the USSR Oil Industry Ministry. The Caspian states' sectors in the Caspian were clearly defined.

Therefore, Azerbaijani President Geydar Aliyev expressed astonishment at some of the latest moves by the Russian Foreign Ministry, including its statement that it does not recognize the signed oil contract. Geydar Aliyev noted that reports by a number of foreign news agencies to the effect that Russian Foreign Ministry intends to appeal to the UN on this matter and propose to the Russian Government to impose certain sanctions against the Azerbaijani Republic is particularly astonishing.

The fact that the Russian Foreign Ministry has never contacted the Azerbaijani Republic on this matter conflicts with the friendly relations between Russia and Azerbaijan.

Russian Federation Foreign Minister Andrey Kozyrev thanked the Azerbaijani president for his comprehensive and deft explanation of the essence of the problem, and informed him that the Russian side has no intention of imposing any sanctions on Azerbaijan. He said that in view of the telephone conversation he will consider the matter and respond after a few days.

Azerbaijani President Geydar Aliyev held a telephone conversation with Russian Prime Minister Viktor Chernomyrdin on 12 October 1994. The sides exchanged views on the oil contract signed by Azerbaijani Republic with the consortium of foreign oil firms on the joint exploitation of the oilfields in the Azerbaijani sector of the Caspian Sea with the participation of Russia's Lukoil firm.

Viktor Chernomyrdin noted that he is very familiar with the work of the Azerbaijani oilmen, with the course of the preparatory talks on the oil agreement, and with the participation of the Russian representatives in this agreement. He asserted that he sees no problems with the signed agreement.

Viktor Chernomyrdin said that there is a need to discuss and resolve Caspian problems, such as ecology and fishing issues.

Geydar Aliyev thanked Viktor Chernomyrdin for the practical solution of the problems in connection with the transit of foodstuffs for Azerbaijan through Russian territory.

The conversation passed off in a sincere and friendly atmosphere.

Russian Envoy Views Cancellation of Visit by Russians

NC1310140794 Baku TURAN in English 0847 GMT 13 Oct 94

[FBIS Transcribed Text] Baku (October 11) TURAN—"Development of relations with Azerbaijan, the CIS-member state, is one of priority directions in Russian

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foreign policy and Russia makes every efforts for that," Russia's Ambassador to Azerbaijan, Valter Shonia, told journalists.

Commenting on the reasons of cancel of scheduled visit of delegation of Russian Parliament at the head of Chairman of Council of Federation, Vladimir Shumeyko, to Baku, Valter Shonia said that the visit had to confirm strength of Russian-Azerbaijani relations and demonstrate friendship between Russia and Azerbaijan. "However, it is difficult to demonstrate something of this kind in the country with the state of emergency and where soldiers walk on the streets," Valter Shonia added.

Valter Shonia said that "visit will take place when life in Azerbaijan normalizes." Valter Shonia mentioned that Shumeyko sent the letter to the speaker of Azeri Parliament, Rasul Guliyev, due to postponing of the terms of the visit to Azerbaijan. Russian Ambassador denied statements saying that Moscow is involved in events in Baku and Ganja, which took place on 4-5 October.

Meanwhile, observers in Baku see a cancel of Vladimir Shumeyko's visit as Moscow's political gesture. The leader of Azerbaijan's Socio-Democratic party, Zardusht Alizade, does not exclude the resumption of Armenia's military pressure on Azerbaijan after Vladimir Shumeyko's visit to Yerevan. According to Alizade, until Azerbaijan satisfies Russia's demands it will be under strict pressure. "Russia's interests are southern borders of the CIS, Russian military bases on the territory of Azerbaijan and the control over its resources," Zardusht Alizade added.

Georgia

Sabotage Suspected in Tbilisi TV Tower Fire

LD1310184894 Moscow NTV in Russian 1600 GMT 13 Oct 94

[Report by correspondent Nuvzar Kereselidze over video of damaged television tower, repair works]

[FBIS Translated Text] The fire at the Tbilisi television tower which destroyed expensive equipment went out on its own. Fortunately, only the top part of the tower was damaged, while the radio broadcasting link was not affected. This has made it possible to restore the transmitting equipment temporarily: of the six programs, only Ostankino and the first republican program can be broadcast, albeit on low power.

According to the decree of the head of state, a government commission has been set up to investigate the reasons for the fire and to identify the scale of the restoration work.

Meanwhile, new details of the fire substantiate the version alleging that the sabotage action at the television tower was aimed against Tamarioni, a private television company. This version has some backing: Former Georgian Defense Minister Georgiy Karkarashvili is one of the founders of the Tamarioni Television Company, and there have been several incidents involving him in the republic already. Almost a month ago, when Karkarashvili took a plane to Moscow for a training course in the Russian General Staff, a time bomb was found in the plane. The investigation commission will decide whether this version has any basis.

Draft Military Doctrine Published in Tbilisi

LD1310191694 Moscow Mayak Radio Network in Russian 1800 GMT 13 Oct 94

[FBIS Translated Text] Georgia's draft military doctrine was published in Tbilisi today. It assumes civilian control of the armed forces, in the sphere of defense, and at the Legislative, Executive, and Judicial levels of power.

The draft was drawn up and proposed for general discussion by a group of authors, headed by Former Defense Minister Tengiz Kitovani and Former Vice Premier Irakli Surguladze.

Edict on National Guard Part of Georgian Army

LD1310185394 Tbilisi SAKINFORM in Russian 1139 GMT 13 Oct 94

[FBIS Translated Text] Under an edict by Eduard Shevardnadze, the Georgian head of state, the National Guard has been included in the Georgian Army and will be subordinate to the Georgian Ministry of Defense. In this connection, Defense Minister Vardiko Nadibaidze had a meeting with the officers and personnel of the Guard. Issues related to the formation of the Georgian Army were discussed at the meeting.

Official Says Support for NSF 'Insignificant'

LD1310190794 Moscow INTERFAX in English 1739 GMT 13 Oct 94

[FBIS Transcribed Text] Georgia's former Defense Minister and leader of the National Salvation Front [NSF] Tengiz Kitovani says the NSF does not want any confrontation with the authorities seeking a negotiated solution to the Abkhaz conflict.

"But if this policy flops, the country must start preparing for war," he told INTERFAX on Thursday [12 October].

The number of Front followers runs at more than 100,000 people and an estimated 1 million males will soon join its ranks, Front organizer and leader of the radical Union of Liberation of Abkhazia Boris Kakubava told INTERFAX.

Meanwhile, our correspondent reports the Front has only about 800 members, most of them Georgian refugees from the resort cities of Gagra and Sukhumi, Abkhazia.

In the meantime, Deputy Speaker of Georgian Parliament and leader of the house majority Vakhtang Rcheulishvili in an interview with INTERFAX expressed doubts about public support for the resumption of war in Abkhazia and South Ossetia. In his view, the Front's following is insignificant.

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Estonia

Parliament Rejects Kallas as Premier

LD1310141694

[FBIS Editorial Report] Tallinn Radio Tallinn Network in Estonian at 1025 GMT on 13 October carries a five-minute live relay from the Estonian parliament in Tallinn. The relay begins with the parliamentary vote on the nomination of Siim Kallas, the president of the Bank of Estonia, as prime minister of Estonia. Kallas fails to gain sufficient support, and of the 100 out of 101 parliament members present, 40 vote in favor of Kallas and 55 vote against his candidacy. Five members abstain.

After the voting, Estonian radio correspondent Gunnar Paal begins to speak and says: "I would like emphasize once again: this is not the case of Siim Kallas's personality, but a failure to reach the political agreement that must have been reached in order to gain a majority vote here in the Riigikogu [parliament] hall."

Tiit Sinissaar, the chairman of the Fatherland faction in parliament, is asked to comment on the vote and says: "The opposition once again succeeded in gaining an upper hand of a destructive kind—I would be bold enough to call it that. I am naturally sorry because I do not know what will happen next. The president will have a week to find another prime ministerial candidate. I, however, fail to see any candidate on the horizon who would satisfy the majority in this hall. And so, I have nothing else left but to repeat the previously voiced Fatherland view that we are now very close to early elections."

Paal then interviews Siim Kallas. When asked to sum up political discussions prior to today's voting, Kallas says: "The discussions were very varied, I did not change my views at them. But the discussions usually led to questions about the number of ministerial posts each is to get, and, as I did not give any specific promises to this end, evidently we did not reach specific agreement." He says that the voting demonstrated that splits in views have increased.

Paal says: "I think that the issue is the political platform rather than the personality."

Kallas replies: "Well, this may well be. This might mean that the choice has been already made—the choice that would possibly be made at voting on the next prime ministerial candidates—this choice has maybe been already made. But from the human point of view, I would say that ... I would not say that I was very unhappy because the vote did not succeed, because the experiences of the negotiations show that the further work would have been enormously difficult and I cannot imagine how one would have worked with this parliament."

Paal asks: "Why did you say in your speech today that for the people this has reached a certain critical limit?"

Kallas answers: "This is shown by all sociological surveys. First this direction objectively leads to certain problems—differentiation first and foremost. Secondly, there are subjective mistakes made by the previous government, and possibly other reasons have also created such moods. In this sense, now the question is will the reforms be carried out further or will the reforms be turned back."

Laar Says Government Continuing Work

LD1310172394 Tallinn Radio Tallinn Network in Estonian 1600 GMT 13 Oct 94

[FBIS Translated Text] Estonian Prime Minister Mart Laar, chairman of the National Fatherland Party, told a news conference today that the behavior of the Riigikogu opposition has been of a destructive character since the vote of no confidence in the government. The news conference took place following a vote in the Riigikogu which failed to approve Siim Kallas as the new prime ministerr. Of the 100 deputies present, 40 voted for Kallas, 55 against, and five deputies abstained.

Laar said the current government is continuing its work and the executive power is carrying out its duties to the full. Laar also noted that the continuing government crisis is damaging Estonia's image internationally.

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